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ABSTRACT

In response to legislative mandate, this report reviews the management initiatives taken by community colleges in Maryland over the last several years to contain and reduce costs; investigates the potential for the regionalization of Maryland's community colleges; and determines new initiatives that should be considered by individual colleges in response to potential tuition losses due to projected enrollment declines. After chapter 1 introduces the mandate and the subsequent steps taken by the Maryland State Board for Community Colleges, chapter 2 examines Maryland's funding structure, changes in the share of support for the community colleges provided by the state, and the current situation. Chapter 3 focuses on cost containment initiatives, reviews the higher education literature, initiatives taken by Maryland's community colleges, and systemwide changes. In chapter 4, the question of regionalization (i.e., establishment of a coordinated relationship among the goals, programs, and resources of all of the postsecondary components of a region) is addressed, focusing on three approaches: the establishment of regional community colleges, the use of branch campuses to provide services on a contractual basis to neighboring counties, and reciprocity between counties. Chapter 5 looks at future cost containment initiatives, discussing retrenchment policies, alternative sources of revenue, and cost reductions or avoidances. Finally, committee recommendations are presented in chapter 6. Appendices provide summaries of 68 cost containment actions taken by individual colleges, information on new and discontinued programs between 1979 and 1985, and references. (LAL)

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COST CONTAINMENT STUDY

MARYLAND COMMUNITY COLLEGES

A Report to the
Senate Budget and Taxation Committee
and
House Appropriations Committee

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Maryland State Board for Community Colleges

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MARYLAND COMMUNITY COLLEGES

A Report to the
Senate Budget and Taxation Committee
and
House Appropriations Committee

Maryland State Board for Community Colleges
16 Francis Street • Annapolis, Maryland 21401

Approved December, 1985

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EXECUTIVE SUMMARY

The "Report of the Chairmen of the House Appropriations Committee and the Senate Budget and Taxation Committee - 1985 Session" contains the following:

> Decline in Student Enrollment: The committees recommend that the State Board for Community Colleges develop alternatives other than increasing the State grant to community colleges to offset the loss of tuition income due to enrollment declines. The State Board should consider reductions in faculty positions and regionalization of community colleges as alternatives to increased State aid.

In response to this charge, the State Board for Community Colleges established an ad hoc committee to study and report on the issues raised in this Joint Chairmen's Report. After a careful review of the background and the current situation relative to funding of community colleges in Maryland, the committee focused its attention on three general areas that are covered in Chapters Three, Four, and Five of this report. The three general areas are as follows: Those actions already taken or initiated to control or contain the growth of costs; the potential for regionalization within the community colleges in Maryland; and possible new initiatives that should be considered for implementation. These areas will be covered in the following discussion.

Background and current situation. From the beginning of the community college system in Maryland, the State has shared with the local political subdivisions the responsibility of funding the colleges. Over the years, the funding formula and the dollar amounts for support have increased. Nevertheless, over the past seven to ten years the community college system has experienced a decline in the State share of support. To counterbalance this decline, both student tuition and local political subdivisions have increased their shares of support. The net result of this has been that the community colleges have experienced an almost continual decline in real dollar resources when considering the Consumer Price Index increase over the same period. Each of the colleges has been forced to initiate actions to control costs in the face of rapidly escalating growth in prices of all fixed cost items, such as utilities, benefits, insurance, telephone, and postage.

Actions already taken. Through the results of a survey of all community colleges in Maryland and from a careful analysis of available systemwide data, the committee determined that the community colleges, in the face of real dollar declines in revenues, had initiated many positive actions to control or contain the growth of costs. Appendix A provides many miscellaneous actions taken by the colleges to control or avoid the increase in costs. A summary of the most significant of these actions is as follows:

- Without exception, those colleges reporting identified remarkable cost avoidances in the areas of reduced energy consumption assisted by grants from the Maryland Energy Office and the federal government using the provisions of the National Energy Conservation Policy Act of 1978.

- To improve the efficiency and cost effectiveness of instructional program offerings, the community colleges have discontinued 71 programs during the

period 1979-1985. At the same time, only 66 new programs were added. This is indeed an unusual phenomenon in higher education.

- Throughout the community college system, student tuition and fees have been raised from an average of $18.50 per credit hour in FY 1978 to an average of $28.97 in FY 1984. Revenues from student tuition and fees have increased 57 percent over this period while revenues from local subdivisions have increased by 52 percent and revenues from the State have increased 19 percent.

- In general, the community colleges have stopped hiring full-time faculty. There have been one or two exceptions to this that were caused by the need to increase full-time faculty to satisfy reaccreditation recommendations. Over the period from Fall 1980 to Fall 1984, full-time credit instructional staff increased by 3 percent, while credit full-time enrollment increased by 7 percent.

- In conjunction with the State Board for Higher Education, the State Board for Community Colleges has designated forty-two instructional programs at fifteen community colleges as statewide programs. This action has provided for more effective planning for the placement of new instructional programs, particularly in high-cost specialties, while making such programs available to a wider range of students.

- Between 1978 and 1984, the cost of living (CPI) increased by 62 percent. However, the average operating cost per full-time equivalent in Maryland community colleges increased by only 41 percent, indicating an increase in operating efficiency.

Regionalization. After a careful review of the potential for regionalization within Maryland community colleges, the committee believes that there is reason to explore in depth the possibility for regionalization in some form in Western Maryland and in Southern Maryland. Specifically, the committee recommends that special study groups be established to consider various regional organizational approaches for providing community college services to the citizens of these two areas.

New initiatives. In the area of future cost containment initiatives, the committee focused on several specific items that have potential for significant impact. They are as follows:

- Develop retrenchment policies.

- Participate in general purpose foundations.

- Explore external funding sources.

- Take actions to increase facilities utilization.

- Explore third party financing of major energy conservation measures involving large capital expenditures.

- Recognize the impact that rapidly increasing insurance premiums will have on budgets and take actions to improve bargaining positions by joining together with others for insurance procurement actions.

- Continually explore reasonable means to reduce current and future budget commitments by addressing the existing packages of fringe benefits for personnel.

Recommendations. The cost containment committee makes the following recommendations:

1) The community colleges in Maryland, collectively as a system and individually, are to be commended for the actions and initiatives already taken to control and avoid the growth of costs of operations.

2) The State Board for Community Colleges should request the boards of trustees of the community colleges in Southern Maryland and in Western Maryland to study the opportunities for cooperation and coordination in higher education in their respective areas of the State. The boards should be requested to submit their conclusions to the State Board for Community Colleges by December 1, 1986. In addition, all boards of trustees should carefully consider opportunities for cooperation and coordination in their respective areas.

3) All Maryland community colleges should be required to develop appropriate retrenchment policies to properly manage reductions in faculty, administrators, and support staff and provide copies to the State Board for Community Colleges.

4) Maryland community college administrations must continue to explore and initiate actions to develop alternative sources of funding. Specifically, the items listed in Chapter Five (foundations, external funding, and facilities utilization) are recommended for special study and attention.

5) Similar to 4 above, Maryland community college administrations must continue to explore and initiate actions in a wide range of areas to reduce current costs and to avoid future cost increases. The items listed in Chapter Five (energy conservation, insurance, and personnel benefits) are particularly recommended as having large potential savings.

CHAPTER ONE

INTRODUCTION

The Report of the Chairmen of the House Appropriations Committee and the Senate Budget and Taxation Committee, 1985 Session, contains the following:

> 36.12.00.01 - General Administration.
>
> Decline in Student Enrollment: The committees recommend that the State Board for Community Colleges develop alternatives, other than increasing the State grant to community colleges, to offset the loss of tuition income due to enrollment declines. The State Board should consider reductions in faculty positions and regionalization of community colleges as alternatives to increased State aid.

The Joint Chairmen's Report was prepared at the conclusion of the 1985 General Assembly session during which time the community college funding formula was increased and modified for the second consecutive year and for the third time since 1981. A key argument in support of the 1985 increase was the fact that community college enrollment had experienced its first real decline in the Fall of 1984, after decades of substantial growth. Further, the outlook for the short-term future was for stable or declining growth until the mid 1990s.

In response to the issues raised in the Joint Chairmen's Report cited above, the State Board for Community Colleges established an ad hoc study committee. The chairman of the committee was a member of the staff of the State Board for Community Colleges. Membership of the committee consisted of a community college president, an additional staff person of the State Board, and representation from the academic deans, occupational deans, business officers, deans of students, and institutional researchers from several community colleges. The committee was divided into three subcommittees to address the following major elements of the study:

a) Review and analyze the numerous management initiatives taken by the community colleges over the last several years to contain and reduce costs.

b) Investigate the potential for regionalization of community colleges in Maryland.

c) Determine reasonable new initiatives that should be considered by the individual community colleges in Maryland in response to potential tuition loss due to projected enrollment declines in the coming decade.

CHAPTER TWO

BACKGROUND[1]

The movement to establish a system of locally controlled public two-year colleges in Maryland occurred immediately following World War II. With the support and encouragement of the State Board of Education and the State Superintendent of Schools, Montgomery and Hagerstown Junior Colleges began operation in 1946. One year later, Baltimore Junior College was established by the Baltimore City school system.

Beyond the first three community colleges, eight additional community colleges were created between 1946 and 1961. Much of the impetus for this expansion came about through recommendations of a series of study groups, including the Marbury, Pullen, and Curlett Commissions. From 1961 to 1970, five more community colleges were established, and in 1975 the seventeenth community college came into being on Maryland's Lower Eastern Shore.

While no additional community colleges have been established in Maryland since 1975, efforts to increase geographical accessibility have continued. As an option to establishment of a community college, branch campuses have opened in three counties. These branch campuses, operating under contract with an existing community college, have been encouraged as a cost-effective mechanism for assessing citizen interest while offering a core of needed programs. With the branch campuses and the addition of another county to one of the State's two regional community colleges, community college services currently are available in twenty-three of the State's twenty-four political subdivisions. Only Somerset County has elected not to provide such services.

Occupational education has become one of the primary focuses of community college service, with over 47 percent of the student body being enrolled in occupational programs in Fall 1984. Registrations in continuing education totaled 237,261 in FY 1985 and many of these courses are designed to have a specific occupational focus.

These factors in the broadening of the community college mission have had a major impact on revenues and expenditures. Many career programs, especially those in the allied health area, require highly trained faculty, small class size mandated by specialized accreditation, a large number of laboratory hours, high equipment costs, and use of clinical sites.

Maryland Funding Structure

From the outset, the State has shared with the local political subdivisions the responsibility of funding community colleges. This State-local partnership is unique in higher education to the community college system and distinguishes these institutions from all other Maryland colleges and universities.

State support began as a system of flat grants to each community college. However, since 1949 State aid has been distributed on a per-student formula basis. Until 1969, the general principle (previously developed in and identified with New York community colleges) remained that the State, political subdivisions, and students should each contribute one-third of the costs in equal shares.

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However, in 1969, the respective theoretical shares were shifted to 45-30-25 percents. In 1971, the concept of a full-time equivalent student in the State funding formula (30 credit hours of instruction over the period of a fiscal year) was first placed in the statute. Since 1971, the statute has called for a goal of 50-28-22 percent distribution from the State, the political subdivisions, and students, respectively.

In Maryland the statutory formula contains both theoretical formula for proportional shares and a dollar maximum ("ceiling") for the State share. Because the maximum amount per full-time equivalent (FTE), payable by the State, consistently has been less than half of the average per-FTE operating costs statewide, the effect of the provision is that the actual State share has never attained the 50 percent goal targeted in the statute.

A separate formula was established for the regional colleges in 1972. Later the provision was expanded to include small, rural colleges. That formula provides for a different statutory base, a higher (55 percent) State share, and different percent shares for all sources of support. In the regional/small college formula, the State pays up to 55 percent, the county or counties generally 32 percent, and the students through tuitions and fees 13 percent. The rationale for a higher aid rate for small and regional colleges was to help defray the fixed costs associated with a small college and to encourage counties to establish regional colleges.

While both formulas have been adjusted over the ensuing years, the maximum rate of State aid has been adjusted more frequently than that for colleges on the "general" formula. When the regional/small college formula was created, a maximum of $875 per FTE was established at the time that the general formula maximum was set at $700. Changes were as follows: (In each case, the year of enactment is shown: followed by general rate, and regional/small rate.) 1972: $700, $1100; 1975: $700, $1300; 1977: $800, $1485; 1980: $850, $1540; 1981: $878, $1610; 1984: $910, $1720; 1985: $980, $1865.

During the 1981 legislative session, the funding formula for community colleges was supplemented on a one-year basis with a $200,000 grant to each community college board of trustees and an additional $10 for each part-time credit student. The rationale for the flat grant was to help support the fixed operating costs that are especially troublesome for mid-size colleges. Small colleges already receive a higher aid rate and larger colleges are assisted by economies of scale. The idea behind the amount per part-time student was to help provide for the costs associated with a rapidly increasing part-time student population. The FTE formula was implemented when most students attended full-time. Many services, such as registration and advising, must be provided on a headcount basis. The Governor proposed to the 1982 General Assembly that these changes be made permanent, and the proposal was enacted during that session.

As part of the final report of the Scanlan Task Force in 1981, the State Board for Community Colleges was requested to study the needs being met by community colleges in the area of remedial instruction. In its report, the Board concluded, in addition to its recommendations, that a special study of the situation faced by the Community College of Baltimore be conducted. As adopted by the Board, that study recommended in 1983 to the Governor that consideration be given to establishing an additional grant of $150 per FTE for any institution located in a political subdivision of a certain population density. The proposal was not acted upon favorably by either the Governor or the General Assembly.

In the 1984 legislative session, the General Assembly, acting upon the recommendation of the Governor, increased the aid rate per full-time equivalent student by $32/$101, the annual flat grant by $70,000, and the grant per part-time student by $4.

During the course of the 1985 legislative session, the General Assembly, again acting upon the recommendation of the Governor, increased the aid rate per full-time equivalent student by $70/$145, the annual flat grant by $80,000, and implemented a new low income student grant of $115 for each Pell Grant recipient served by each college.

Changes in Share of Support

While the State has historically been supportive of community colleges in Maryland, the past seven years have seen a decline in the State share of support for community colleges (Table 1). The amount paid per FTE by student tuition increased by 57 percent between FY 1978 and FY 1984. Community college students in Maryland have traditionally paid higher tuition than the national average for community college students; in FY 1983, tuition in Maryland community colleges was 23 percent above the national average. County/city governments have increased their per FTE contribution by 52 percent in the past seven years, a slower rate of increase than the student share. Even though the State's contribution has increased by about $19 million in seven years, enrollment increased during that period, and the increase in the State's share per FTE has only been 19 percent.

Table 1

GROWTH IN MARYLAND COMMUNITY COLLEGE FUNDING

	FY 1978		FY 1984		% Change in Amount per FTE FY 1978 - FY 1984
	Total	per FTE	Total	per FTE	
Student share	$30,214,251	$ 555	$57,241,316	$ 869	57%
Local share	32,935,597	605	60,523,052	919	52
State share*	44,126,645	811	63,497,410	964	19
CPI	188		305		62

* Beginning in FY 1985, the budget of the State Board for Community Colleges included the State share of retirement costs. In addition to the $63,497,410 in State aid in FY 1984, the State contribution to Social Security, TIAA/CREF, and the State retirement system is estimated at about $20 million.

Current Status

Community colleges in Maryland are underfunded by the State of Maryland. Evidence for this condition comes from a variety of sources: declining State share of support, declining State support in relation to public four-year colleges, a national study of community college operating costs, and a documented need for new instructional equipment. Furthermore, the expanding role of community colleges in job training must be properly supported to assist in the human and economic development of the State.

Declining State share of support - The State share of support for the operating expenditures for Maryland community colleges has dropped from 45 percent in FY 1976 to 35 percent in FY 1984. Table 2 shows the amount that the State would have provided to community colleges if the FY 1976 level of support had been maintained over that interval. The shortfall for FY 1984 alone is $14,230,512, and the cumulative total for all seven years is $61,332,648. Among the three sources of community college revenue, State aid has reflected the slowest growth.

Decline in relation to four-year colleges - As institutions of higher education, community colleges share many of the same characteristics of the public four-year colleges and universities in Maryland. Higher education institutions are labor intensive and require a high proportion of expenditures for salaries and fringe benefits. Much of the cost of operation, for example for learning resources and the physical plant, are fixed costs and do not fluctuate appreciably in relation to student enrollment. Between FY 1976 and FY 1984, State funds for State colleges and universities increased by 70 percent per FTE student. In the same interval, State funds for community colleges increased by 33 percent per FTE. Table 3 shows the amounts that the State would have provided to Maryland community colleges if support for community colleges was increased at the same rate as that for State colleges and universities. The shortfall for FY 1983 alone is $18,117,550, and the cumulative total for all years is $63,618,466.

Comparison with national average - The National Association of College and University Business Officers recently completed a study, "Comparative Financial Statistics for Public Community and Junior Colleges, 1982-1983." The study reviewed the finances of 520 institutions from across the nation. The study reported that the median expenditures per FTE student were $2,994. In the same fiscal year, the expenditures per FTE in the Maryland community college system were $2,562. If community colleges in Maryland were operating at the national median, the Maryland community college expenditures would be $432 per FTE higher and, assuming a 50 percent State share of the costs of operation in accordance with State law, the additional State aid required to bring Maryland to the national median would be $13,835,664.

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[1] Updated from material presented in State Board for Community Colleges report, "Study of State Funding of Maryland Community Colleges," 1984.

Table 2

FUNDING NEEDS RELATED TO PREVIOUS STATE SUPPORT
MARYLAND COMMUNITY COLLEGES
FISCAL YEARS 1976 - 1984

	FY1976	FY1977	FY1978	FY1979	FY1980	FY1981	FY1982	FY1983	FY1984
Community college cost per FTE	$ 1,665	$ 1,802	$ 1,903	$ 2,103	$ 2,195	$ 2,353	$ 2,452	$ 2,562	$ 2,692
State share of cost per FTE at FY 1976 level	$ 742	$ 804	$ 849	$ 938	$ 979	$ 1,049	$ 1,094	$ 1,143	$ 1,201
Actual State share of cost per FTE*	$ 742	$ 733	$ 824	$ 818	$ 836	$ 871	$ 988	$ 969	$ 985
Shortfall per FTE	-	$ 71	$ 25	$ 120	$ 143	$ 178	$ 106	$ 174	$ 216
Community college State funded FTE	52,634	53,794	54,430	52,849	55,100	56,832	60,735	64,054	65,882
Annual community college shortfall		$ 3,819,374	$ 1,360,750	$ 6,341,880	$ 7,880,730	$10,116,096	$ 6,437,910	$11,145,396	$14,230,512

CUMULATIVE COMMUNITY COLLEGE SHORTFALL FY 1977 - FY 1984 = $61,332,648.

* Includes agency and TIAA/CREF funds.

NOTE: FY 1976 percentage of 44.6 percent applied to following years' cost per FTE.

Table 3

MARYLAND COMMUNITY COLLEGE FUNDING NEEDS
RELATED TO SUPPORT FOR STATE COLLEGES AND UNIVERSITIES *
FISCAL YEARS 1976 - 1984

	FY 1976	FY 1977	FY 1978	FY 1979	FY 1980	FY 1981	FY 1982	FY 1983	FY 1984	Percent Change FY 1976 - FY 1984
State funds per FTE State colleges and universities	$ 1,481	$ 1,533	$ 1,597	$ 1,722	$ 1,977	$ 2,167	$ 2,238	$ 2,360	$ 2,513	70%
State funds per FTE community colleges if increased at same rate	$ 742	$ 768	$ 800	$ 863	$ 991	$ 1,086	$ 1,121	$ 1,183	$ 1,260	
Community college State funds per FTE actual shortfall	$ 742	$ 733	$ 824	$ 818	$ 836	$ 871	$ 988	$ 969	$ 985	33%
Community college FTE (State)	52,634	53,794	54,430	52,849	55,100	56,832	60,735	64,054	65,882	
Community college shortfall		$1,882,790	($ 1,306,320)	$2,378,205	$8,542,050	$12,218,880	$8,077,755	$13,707,556	$18,117,550	

CUMULATIVE COMMUNITY COLLEGE SHORTFALL FY 1977 - FY 1984 = $63,618,466

* State colleges and universities governed by the Board of Trustees of the State Universities and Colleges.

CHAPTER THREE

COST CONTAINMENT INITIATIVES

In order to review and assess the significance of such management actions that have been initiated by Maryland community colleges, the committee addressed itself to three major questions:

a) Does the literature of higher education point to general and/or specific cost containment strategies that have been successfully employed?

b) What specific cost-saving initiatives have the community colleges undertaken in recent years?

c) Can general systemwide cost reductions be inferred from data collected by the State Board for Community Colleges?

Higher Education Literature

The committee initiated an extensive survey of the higher education literature (see References) and was able to draw several conclusions. The clear definition of institutional mission is the primary basis for setting goals, targets, priorities, and alternatives, upon which cost containment strategies must be based. Long-range planning is seen as a vital ingredient for institutional viability. Nevertheless, a number of authors raise the concern that the declining enrollment of the mid-late 1980s may result in still further reductions of financial resources available to educational institutions that may already be underfunded. The resulting retrenchment is seen as impacting most seriously on the community colleges' commitment to access.

Community College Initiatives

How have Maryland community colleges reacted to budgetary limitations and the scarcity of resources over the past several years? To answer that question, each community college president was asked to provide several illustrations of specific cost containment actions undertaken by the institution, including a cost-saving estimate for each strategy. A wide variety of responses was obtained. The committee identified several major cost containment strategies from each of the community college responses and restated the specific responses within a standard format. Appendix A presents the representative sampling of community college initiatives.

A number of patterns emerge from these institutional responses. Most Maryland community colleges have made effective use of federal and State energy conservation grant programs to acquire the advanced systems and hardware that is now paying dividends in terms of lower utility costs. Considerable attention has been and is being paid to controlling fringe benefits costs through cooperative arrangements, restructuring of benefits, and careful procurement. The effective use of more powerful data processing systems, now available at lower cost, has been a factor in containing personnel costs, particularly in routine clerical functions. The growing collaboration between community colleges and private sector industry has begun to yield important dividends in terms of equipment and specialist time contributions, permitting many

colleges to maintain responsive, state-of-the-art technology programs without substantial cost escalation. In addition, needed instructional equipment purchases have been postponed (see the State Board for Community colleges report, "Laboratory Equipment Needs in Maryland Community Colleges," November 1983) and a sizeable backlog of deferred maintenance has developed during this period (see the State Board for Community Colleges report "Evaluation of Facilities at Maryland Community Colleges," August 1979). Finally, the recent establishment of several community college foundations signals a more aggressive attitude on the part of the institutions in seeking new sources of revenue.

Systemwide Changes

In addition to the numerous management initiatives being undertaken by individual colleges, the total community college system under the leadership of the State Board for Community Colleges has developed several procedures which impact on statewide cost containment. The Discipline Cost Analysis system requires each community college to compute in consistent fashion the apportionment of total institutional operating costs by teaching discipline. These discipline costs are evaluated against statewide and institutional criteria and then widely disseminated to the community colleges in the form of the Program Data Monitoring system. These evaluations have resulted in numerous program changes that often reduce costs through increasing enrollments, reducing direct instructional costs, and, in some cases, discontinuing programs. Over the past seven years, program discontinuances in the community colleges have outnumbered program additions (71 discontinuances to 66 new programs). See Appendix B for a graph showing new and discontinued instructional programs for fiscal years 1979 to 1985 and a listing of the discontinued programs.

In the area of instructional programs, it is important to recognize that the State Board for Community Colleges and the State Board for Higher Education have exercised their roles and have functioned to insure that there is a minimum of program duplication amongst the community colleges. The recently published "Program Guide 1985-1986" for Maryland community colleges clearly indicates the fact that not all colleges offer all of the same instructional programs. In the same vein, the State Board for Community Colleges has designated forty-two instructional programs at fifteen Maryland community colleges as statewide programs. In addition to providing greater opportunity to Maryland citizens, the implementation of statewide programs allows for more effective planning for the placement of new instructional programs, particularly in high-cost specialties. Since residents of one political subdivision can enroll in designated programs in other areas with little or no additional cost for tuition, there is little need to have all programs available locally. The programs designated as statewide are shown in Table 4.

Other management initiatives, with differing objectives, have also had positive impacts on cost containment. The formation and sponsorship of "affinity groups," for example committees of people in similar positions throughout the system, have led to such cost avoidances as the sharing of computer software among the data processing directors and the conducting of joint research studies of graduates and employers by the institutional researchers' group.

Throughout the community college system, tighter budgets have led to leaner operations and avoidance of rising costs that might otherwise have been incurred.

Table 4

STATEWIDE INSTRUCTIONAL PROGRAMS
MARYLAND COMMUNITY COLLEGES
FISCAL YEAR 1985

Allegany Community College
- Dental Hygiene
- Forest Technology
- Respiratory Therapy

Anne Arundel Community College
- EMT-Paramedic

Community College of Baltimore
- Dental Hygiene
- International Trade
- Physical Therapy
- Respiratory Therapy

Catonsville Community College
- Air Transportation Management
- Machine & Tooling Technology
- Mortuary Science
- Occupational Safety & Health Technology

Cecil Community College
- Equine Science
- Professional Photography

Chesapeake College
- Aviation Maintenance Technology
- Medical Laboratory Technology

Dundalk Community College
- Labor Studies
- Physical Fitness Technology
- Retail Floristry
- Stationary Engineering Technology
- Water Systems Technology

Essex Community College
- Animal Science Technology
- Medical Laboratory Technology
- Nuclear Medicine Technology
- Physician Assistant
- Radiation Therapy

Frederick Community College
- Aviation Maintenance Technology
- Park Operation & Management

Garrett Community College
- Veterinary Science Technology
- Wildlife Management

Harford Community College
- Electrodiagnostic Technology
- Science Laboratory Technology (Histotechnology option)

Howard Community College
- Biomedical Engineering Technology
- Vision Care Technology

Montgomery Community College
- Fire Science

Prince George's Community College
- Medical Isotope Technology
- Medical Laboratory Technology
- Medical Records Technology
- Respiratory Therapy

Wor-Wic Tech Community College
- Hotel-Motel-Restaurant Management
- Nursing, Practical
- Nursing, Registered

While the Consumer Price Index rose by 62 percent between 1978 and 1984, the systemwide average cost per full-time equivalent (FTE) student has increased in the same time period by only 41 percent (Table 5). Colleges have assigned greater credit hour loads to faculty and controlled administrative costs. As Figures 1 and 2 show, the FTE enrollment per full-time faculty, as well as per total administrator and staff, has increased over this five-year period. While in 1980 the FTE to staff (full-time, non-teaching employees) ratio was 18.82; in 1984 it was 22.51, an increase of 20 percent in five years. Similarly, the average full-time faculty member's productivity rose from 27.01 FTE taught in 1980 to 29.44 FTE taught in 1984, an increase of 9 percent over this period. Stated another way, with declining real dollar revenues and increasing or stable enrollments, the community colleges have limited the hiring of full-time faculty, administrators, and support staff with resultant forced increased productivity of these personnel.

Table 5

CONSUMER PRICE INDEX
AND
SYSTEMWIDE AVERAGES
Percent Change Comparisons

	FY 1978	FY 1980	FY 1982	FY 1984	Percent Change 1978 - 1984
Consumer Price Index	188	233	282	305	+62%
Systemwide net cost per FTE	$ 1,903	$ 2,195	$ 2,452	$ 2,692	+41
Average salary per 10-month faculty	$18,606	$21,315	$24,240	$27,773	+49

FTE = full-time equivalent

Figure 1

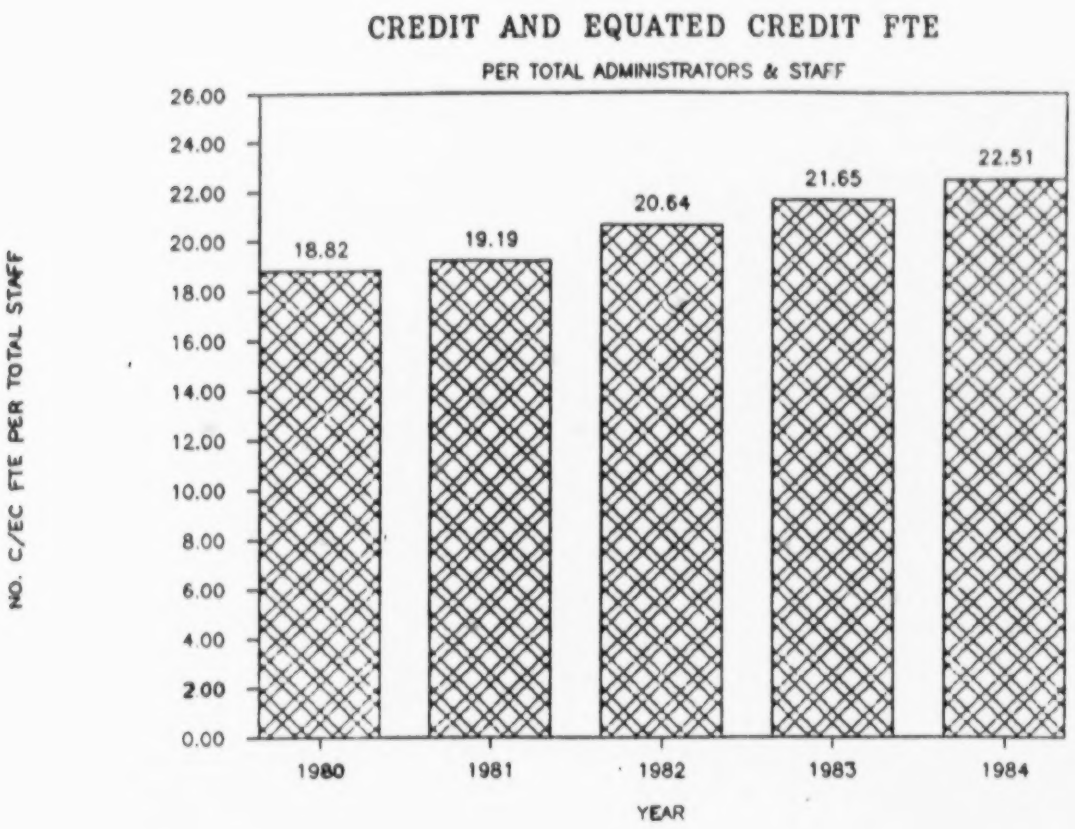
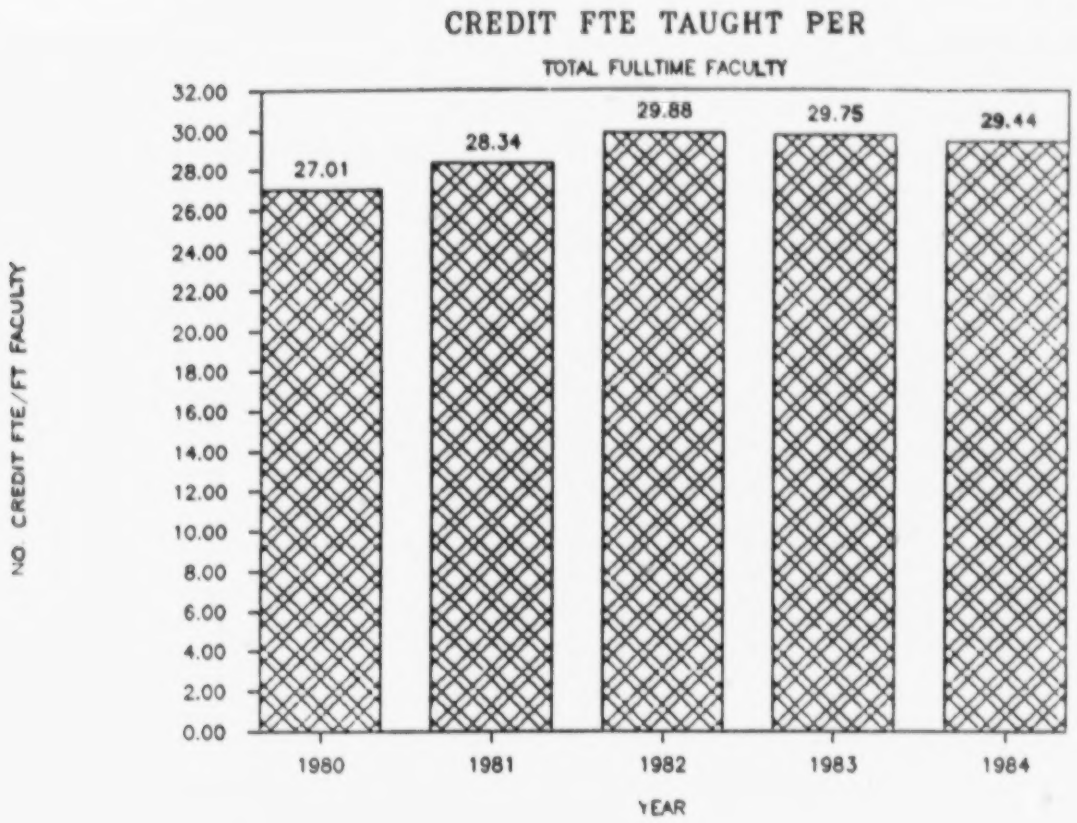

CREDIT AND EQUATED CREDIT FTE
PER TOTAL ADMINISTRATORS & STAFF
NO. C/EC FTE PER TOTAL STAFF
26.00
24.00
22.00
20.00
18.00
16.00
14.00
12.00
10.00
8.00
6.00
4.00
2.00
0.00
18.82
19.19
20.64
21.65
22.51
1980
1981
1982
1983
1984
YEAR

Figure 2


CREDIT FTE TAUGHT PER
TOTAL FULLTIME FACULTY
NO CREDIT FTE/FT FACULTY
32.00
30.00
28.00
26.00
24.00
22.00
20.00
18.00
16.00
14.00
12.00
10.00
8.00
6.00
4.00
2.00
0.00
27.01
28.34
29.88
29.75
29.44
1980
1981
1982
1983
1984
YEAR

CHAPTER FOUR

REGIONALIZATION

For the purposes of this report, regionalization is defined as that view of a geographic subsection of a state that considers all (or a number) of the postsecondary educational components within the region collectively and that seeks to establish a coordinated relationship among goals, programs, and resources. When applied within the county-based community college structure of Maryland, the concept of regionalization can be implemented in a number of different ways. Three approaches will be discussed in this chapter:

1) Regional community colleges as provided for in Maryland statute;

2) Use of branch campuses to provide services on a contractual basis to neighboring counties; and

3) Reciprocity between counties.

Regional Community Colleges

The Annotated Code of Maryland (Education Article, Title 16, Subtitle 3) provides for the establishment and support of a regional community college upon the agreement of two or more counties. Chesapeake College (sponsored by Caroline, Dorchester, Kent, Queen Anne's, and Talbot Counties) and Wor-Wic Tech Community College (sponsored by Wicomico and Worcester Counties) are clear evidence that, given the right set of circumstances, regionalization can be a very positive development. More specifically, it is a reasonable approach for serving large geographic areas with low density population. By combining local resources from several political subdivisions into one central institution, each county is able to receive the benefits of community college services. Separately, it is unlikely that any one of these subdivisions would have the financial support or student demand to operate its own college.

The regional community college model typically consists of a centralized administration and campus, plus one or more outreach educational centers throughout the geographic area supported by the college. There is a reasonable economy achieved by having a central administrative service and by dispersing faculty to the various locations served by the college. The expenses involved in operating such an institution are proportioned to the support communities based on the number of students enrolled at the institution. This allows each political subdivision to pay its "fair share" for services received.

Apart from these advantages, the regional community college model does have certain limitations. There is a potential for political subdivisions not near the central campus to have less identification with the college as being their own. This attitude, if combined with parochial thinking, can result in increased conflict and competition among the support counties in approving programs, services, and, most importantly, budgets. From the students' perspective, an education is less than fully accessible if it is necessary to travel considerable distances to the central campus to receive educational services.

In summary, the regional community college is a useful approach in geographic areas where a community college can be supported only through the combining of resources.

Branch Campuses

A unique arrangement for the delivery of community college programs and services has been established between Carroll County and Catonsville Community College located in Baltimore County. Recognizing the absence of both a sufficient student base and financial resources to support an independent community college, the Carroll County government entered into a contract with Catonsville Community College in 1976 to provide Carroll County residents with educational opportunities normally provided by a community college.

The terms of the contract between the two entities is not complex. Catonsville agrees to provide instructional, administrative, and necessary support services while Carroll County agrees to provide the financial support necessary beyond State reimbursement from student enrollment and student tuition and fees. Explicit in the contract is the provision that no fiscal resources of the college or the Baltimore County government shall be used to underwrite the costs of the Carroll County branch campus. Unless either party gives notice of its desire to terminate the contract, the agreement is renewed each year for the following year and the succeeding four-year period.

Terms of the contract, curricula offerings, and operating budget are jointly reviewed each year by the college and a Carroll County Community College Advisory Board appointed by the Commissioners. The advisory board represents the local interest in the branch campus but has no statutory authority, since the Baltimore County Community College Board of Trustees serves this role for the college and, therefore, the college's branch campus. In addition to providing the direct costs for instruction and support services to the branch, the contract allows the college to assess indirect costs on an annual basis not to exceed 15 percent of all other revenues received for the branch. These indirect costs reimburse the college for business services (personnel, payroll, accounting, purchasing, among others), student services (records, registration, financial aid, among others), and administrative support (computer services, public relations, grants management, institutional research, among others). Facilities are the responsibility of the Carroll County government and, where necessary, facilities costs are a part of the Carroll County branch's operating budget.

The contract arrangement between Catonsville Community College and the Carroll County government has worked very well. Both parties have benefited from this endeavor. The cost per student at the branch remains at about two-thirds of that on the main campus, and much less than it would be if Carroll County operated its own college. On the other hand, Catonsville has been able to defray some administrative expenses with Carroll County's reimbursement for indirect costs.

It should be noted that a similar arrangement exists between Charles County Community College and St. Mary's and Calvert Counties. This will be discussed in a later section of this chapter.

Reciprocity

Maryland community colleges currently offer over 350 occupational programs. Many of these technical programs are justifiably duplicated by several community colleges because of large student enrollment and high employment availability. With the development of an increasing number of highly specialized, high-cost technical programs, however, the duplication of certain programs by neighboring colleges, or colleges within a geographical region, may be prohibitively expensive to both the local political subdivision and the State. The State Board for Community colleges thus designates certain instructional programs as statewide programs. See Table 4, Chapter Three, for a listing of approved statewide programs. If the college in a student's own county does not offer a similar program, a student may enroll in a statewide program at a neighboring college and be reimbursed for part of the out-of-county tuition differential.

While statewide programs were designed to reduce duplication and increase student access, another benefit is that it is quite possible that many of these programs would not be offered to students in their own county were it not for the additional students that the statewide designation provides. The statewide program designation allows some college programs to reach an economy of size that makes the program financially sound.

In response to student demand, colleges have requested statewide designation for more programs, and enrollment has risen proportionately. In FY 1978, the first year of the program, the total tuition differential was only $23,591. In FY 1982, it was $105,336, and in FY 1985, $176,514. Although State general funds have been appropriated since FY 1980 for statewide programs, the reimbursement program has not been fully funded. The norm in the past has been for the State to pay about 55 percent of the higher out-of-county tuition differential.

Potential for Coordination and Regionalization in Other Areas of the State

Can these and related regionalization approaches be successfully applied to other areas of the State? The answer, at its most basic level, rests on seeking a proper balance between access to community college services on the one hand and cost effectiveness concerns on the other. Regionalization is a deliberate effort at increased access and excellence within the framework of what is practically possible. Most importantly, regionalization properly executed need not erase the individuality of the component parts.

Western Maryland - Allegany and Garrett Counties are currently served by two separate community colleges. This has resulted in wide access to postsecondary educational services for that part of the State but at considerable expense to the State and counties. The value to a community in having its own community college is clearly significant; however, it is a legitimate question to ask whether adequate access to a community college education can be provided through a more cost-effective regionalization approach.

In Western Maryland where each county has an existing community college, there are many cooperative regional ventures that could prove very beneficial to community colleges operating in contiguous counties--faculty exchange programs, joint faculty development programs, cross-registration, sharing computer services (hardware and

software), sharing expensive equipment for high-tech programs, a comprehensive library exchange program, and joint purchasing agreements, to name just a few. These and other regional coordination efforts need to be discussed in a formal setting and on an ongoing basis by all postsecondary institutions currently operating in Western Maryland.

Southern Maryland - The situation in Southern Maryland is different from what exists in Western Maryland. In Southern Maryland, three counties are served by one community college (Charles County Community College) and two branch campuses. Additionally, the Calvert County Commissioners have entered into chargeback arrangements with the community colleges in the three contiguous counties of Anne Arundel, Charles, and Prince George's. There is no question that this combination of approaches has resulted in community college services being provided to Southern Maryland in a very cost-effective manner. However, there is some question as to whether adequate access to these services has been provided for Calvert and St. Mary's Counties.

Representatives from both of these counties have recently contacted the State Board for Community Colleges about the possibility of starting their own college. By way of comparison, Calvert County's population is about 30 percent larger than that of Garrett County; St. Mary's County has about twice the population of Calvert County. As a rough measure of the extent of coverage of these counties by community college services, it should be noted that the Calvert branch campus enrolled about 80 full-time equivalent students in FY 1985; the St. Mary's branch campus, 320 FTEs, and Garrett Community College, 615 FTEs.

The State Board for Community Colleges has discouraged inquiries about new community colleges. Given current demographic trends in the State and the large start-up costs associated with any new college effort, that does not appear to be a prudent course of action at the present time. However, the State Board has acknowledged that, based on the enrollment data and participation rates, much can be done to improve access to community college services in Calvert and St. Mary's Counties. Discussions have been initiated and need to continue on how to expand the programs and services available through the respective branch campuses.

Another approach that should be examined is movement toward a regional community college in Southern Maryland. This approach would obviously not be without its difficulties. Charles County would no doubt be concerned about a loss of ownership--or at least less than the full ownership it now enjoys. However, it should be recognized that, although the current statute mandates equal trustee representation for counties jointly participating in a regional community college, there are other possibilities. The statute could be amended to accommodate representation based on county size, for example.

The issue of bonded indebtedness incurred by Charles County prior to the creation of the regional community college would also have to be addressed. Some states have required counties or school districts to participate in these past costs, by various formulas, as a prerequisite to joining in community college sponsorship. Other states (Illinois is a recent example) have specifically provided in state law that new participants will not be assessed for past bonded indebtedness.

There would no doubt be other obstacles. Nevertheless, there is enough promise of positive outcomes that all parties should continue the discussion on further regionalization possibilities in Southern Maryland.

Future Actions

To further encourage and provide a framework for future discussions of regionalization possibilities in Maryland, it is believed that higher education study groups should be appointed and convened to consider various regional cooperative approaches for providing community college services to the citizens of Western and Southern Maryland respectively. These study groups should be established by the boards of trustees of the community colleges in Western Maryland and in Southern Maryland and should include educators from the area colleges as well as representatives from local business and industry, government, and community leaders.

While it cannot be expected that major restructuring will occur in the next year or even the year after that, the groundwork for successful regionalization may become more fertile in the long run if lines of communication remain open. The proposed study groups are recommended with that purpose in mind. The goal is to continue the discussion among concerned educators and citizens on how to provide the very best community college education with the resources available. It is within that context that regionalization has considerable promise.

CHAPTER FIVE

FUTURE COST CONTAINMENT INITIATIVES

It is clear that the community colleges in Maryland have, of necessity, initiated a large number of cost containment actions over the last decade to accommodate to the fact that growth in State and local revenues has not kept pace with inflation as measured by any available cost index. There is no question that these cost containment actions have been implemented in such a way as to pressure instructional offerings. Further cost containment actions must be implemented carefully and only after fully assessing their effect on the college's mission and its instructional quality.

After reviewing the results of the survey of major actions or initiatives already taken by the community colleges to contain costs or to avoid future cost increases, it was apparent to the committee that almost anyone with a modest familiarity with community college operations could easily generate a listing of potential cost savings areas that should be considered and evaluated. Such a listing would include such actions/initiatives as: increase user fees for college facilities and equipment; operate auxiliary enterprises as profit making businesses; discontinue selected intercollegiate athletic programs; increase student retention programs; further expand noncredit offerings; expand college and business interaction; continue the shift from full-time employees to part-time and contract personnel; review and reduce institutional memberships; better manage the maintenance dollars; implement cost savings suggestions and cost-benefit studies, among others.

These ideas must be continually reviewed and implemented as appropriate considering the academic integrity of the institution as a whole.

The committee believes that certain actions have sufficient promise of significant impact on budgets and should be mentioned as separate items, as listed below:

Retrenchment Policies

The Code of Maryland Regulations, 13C.01.01.07B, requires that "each (community college) board of trustees shall submit to the State Board for Community Colleges for information purposes only current college policies for the employment and retention of faculty and staff." Based on a specific request in May 1985 that current policies be provided to the State Board for Community Colleges, only seven colleges provided these policies and the remainder indicated that they had none. It is believed that such policies are essential to effective management of personnel and material at all times, but particularly during periods of declining revenues.

Alternative Sources of Revenue

Foundations - The Code of Maryland Regulations, 13C.01.01.08A, provides that "a community college may participate in the establishment of a foundation or foundations associated with it for the purpose of assisting the community college to perform its mission." Nevertheless, not all of the community colleges in Maryland participate in a foundation and many of the existing foundations are established for special purposes that preclude broad general assistance to the college. It is believed that each

community college should actively participate in a general purpose foundation and encourage its aggressive support for assistance to the college in performing its mission. In this regard, the State Board for Community Colleges should review and revise as necessary the provisions of this particular section of the Code of Maryland Regulations to better facilitate the workings and usefulness of community college foundations.

External funding - Historically, the community colleges in Maryland have relied almost exclusively upon traditional revenue sources: State, local subdivisions, and student tuition. Other possible fund sources have not focused much attention to community colleges on a national basis. It is believed that such external fund managers as foundations, corporations, alumni, grant controllers, and private contributors represent relatively untapped (by community colleges) sources of additional funding. Boards of trustees should review existing staffing assignments with the college administration to identify a key person or persons responsible for institutional advancement and development to actively and aggressively pursue grants, donations, and gifts to the college.

Facilities utilization - Most community colleges in Maryland own substantial campuses with areas of unused land and several community colleges have excess space in existing buildings. Such excess space and unused land represent potential sources of revenue. Since the State and local subdivisions and, in some instances, the federal government have participated in the procurement of property and construction, any income generated would properly accrue to these sources of initial funding in proportion to their original contribution. Nevertheless, it is believed that creative and acceptable proposals could be developed through the use of leases, lease-leaseback, and third party financing that could result in better utilization of existing properties with possible educational spin-offs while generating a significant and steady cost flow to the college. Boards of trustees and community college administrations should carefully explore such possibilities.

Cost Reductions or Avoidances

Energy conservation - The community colleges in Maryland have made remarkable progress over the last decade in initiating actions to control and avoid costs for energy usage. Since almost all of the existing buildings and equipment were constructed without regard for energy operating costs, substantial opportunities for further energy usage reductions exist. The lack of available resources is and will continue to be the number one barrier to implementing most energy conservation projects. There are alternative funding mechanisms available that should be explored in depth by local community college boards of trustees. For example:

a) Shared savings contracting - whereby a private company agrees to execute energy efficiency capital improvements in exchange for a portion of the energy savings that accrue.

b) Third party financing of major projects - whereby a private contractor will design, build, finance, and perhaps own and operate a major facility (for example, the central heating and cooling plant) and enter into lease-leaseback arrangements with the owner(s).

Insurance - In June 1985, the State Board for Community Colleges conducted a survey of the community colleges to establish an awareness of the extent to which college insurance programs, either for general property, casualty, liability, or "umbrella" type coverages, had increased in cost or had been discontinued entirely. The results of the survey were revealing in that several colleges had experienced large premium increases in liability types of coverage and some had experienced complete loss of coverage in the "errors and omissions" type of professional liability coverage. The committee is persuaded that the reality of radically increasing insurance premiums and loss of coverage will have an impact on community college budgets no less significant than that experienced by the oil embargoes of the 1970s.

It is understood that legislation will be proposed to the 1986 Maryland General Assembly to cap local government tort liability at $100,000 per occurrence, similar to that applicable to local boards of education. Under the proposed law, a public official, employee, or volunteer acting within the scope of his employment would be defended by the county and would not be personally liable for the judgment. Further, punitive damages would be prohibited against employees. It is interesting to note that several community colleges are included with local boards of education in procurring insurance coverage. Other community colleges not joined together with local boards of education for insurance purposes should explore the potential benefits to accrue in offering insurance coverage. The Association of Community College Trustees and the State Board for Community Colleges should carefully consider taking a position relative to the proposed legislation.

Also, it is understood that there may soon be an Attorney General's opinion issued stating that counties and municipalities can pool together for insurance purposes under current statutes. Such pooling together may have a beneficial impact on reducing or slowing the rate of increase in insurance premiums and should be considered very carefully by community colleges.

Personnel benefits - It is estimated that personnel costs account for 75 percent to 85 percent of community college operating costs. From the material presented in Chapter Three, it is clear that actions have been taken that have increased faculty and staff workloads on a full-time equivalent student basis, thus controlling cost growth. A number of colleges have been able to take some actions in the area of health insurance costs to reduce the growth in these areas.

The Maryland Community Colleges "Selected Financial and Enrollment Data," issued January 1985, lists the results of the most recent (FY 1985) State Board for Community Colleges survey of fringe benefits in Maryland community colleges. By any measure available, it is apparent that community college personnel enjoy very liberal packages of fringe benefits that represent enormous dollar commitments well into the future. Strategies must be developed to reduce the liabilities from current operating expenses and those that generate large future obligations of public funds. Community college administrations should focus considerable attention to this particular area.

CHAPTER SIX

SUMMARY OF RECOMMENDATIONS

The cost containment committee recommends the following:

1) The community colleges in Maryland, collectively as a system and individually, are to be commended for the actions and initiatives already taken to control and avoid the growth of costs of operations.

2) The State Board for Community Colleges should request the boards of trustees of the community colleges in Southern Maryland and in Western Maryland to study the opportunities for cooperation and coordination in higher education in their respective areas of the State. The boards should be requested to submit their conclusions to the State Board for Community Colleges by December 1, 1986. In addition, all boards of trustees should carefully consider opportunities for cooperation and coordination in their respective areas.

3) All Maryland community colleges should be required to develop appropriate retrenchment policies to properly manage reductions in faculty, administrators, and support staff and provide copies to the State Board for Community Colleges.

4) Maryland community college administrations must continue to explore and initiate actions to develop alternative sources of funding. Specifically, the items listed in Chapter Five (foundations, external funding, and facilities utilization) are recommended for special study and attention.

5) Similar to 4 above, Maryland community college administrations must continue to explore and initiate actions in a wide range of areas to reduce current costs and to avoid future cost increases. The items listed in Chapter Five (energy conservation, insurance, and personnel benefits) are particularly recommended as having large potential savings.

APPENDIX A

COST CONTAINMENT ACTION SUMMARY

CATEGORY

___ADMIN/FINANCE ___INSTRUCTIONAL ___STUDENT SERVICES ___OTHER

X PERSONNEL ___FACILITIES ___EQUIPMENT ___PROCEDURES ___OTHER

INSTITUTION Allegany Community College

CONTACT PERSON Donald L. Alexander

DESCRIPTION OF ACTION

Overload pay for faculty changed from 1/30 of regular salary per semester hour to a set, reduced scale.

ESTIMATE OF COST SAVING/AVOIDANCE

$33,000 per year

34/-35-

COST CONTAINMENT ACTION SUMMARY

CATEGORY	___ADMIN/FINANCE	___INSTRUCTIONAL	___STUDENT SERVICES	___OTHER	
	X PERSONNEL	___FACILITIES	___EQUIPMENT	___PROCEDURES	___OTHER

INSTITUTION Allegany Community College

CONTACT PERSON Mr. Paul Haberlein

DESCRIPTION OF ACTION

Health Care Cost Containment:

1. Added employee cost sharing for premiums.
2. Added third-party pre-certification . . admissions review.
3. Added Second opinion.
4. Raised major medical deductable.

ESTIMATE OF COST SAVING/AVOIDANCE

$50,000 per year

COST CONTAINMENT ACTION SUMMARY

CATEGORY

___ADMIN/FINANCE ___INSTRUCTIONAL ___STUDENT SERVICES ___OTHER

X PERSONNEL ___FACILITIES ___EQUIPMENT ___PROCEDURES ___OTHER

INSTITUTION: Allegany Community College

CONTACT PERSON: Donald L. Alexander

DESCRIPTION OF ACTION

Decrease of full-time employees; increase of part-time employees; decrease in full-time-equivalent employees, while enrollment was growing.

Four-year period (Fall of 1980-81 to Fall of 1983-84):

	Fall (1980-81)	Fall (1983-84)	Δ%
Credit* Enrollment (Headcount)	1,853	2,321	25.3
(FTE)	1,270	1,582	24.6
All Professional Staff (FT)	111	108	- 2.7
All Support Staff (FT)	81	57	-29.6
P.T. Faculty (credit)	23	58	152.2
All P.T. Hourly	0	14	-

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*Non-Credit Enrollment:

	FY81	FY84 (Proj.)	Δ%
Headcount	3,907	4,445	13.8
FTE	339	372	9.7

ESTIMATE OF COST SAVING/AVOIDANCE

COST CONTAINMENT ACTION SUMMARY

CATEGORY	___ADMIN/FINANCE	___INSTRUCTIONAL	___STUDENT SERVICES		___OTHER
	___PERSONNEL	___FACILITIES	_X_EQUIPMENT	___PROCEDURES	___OTHER
INSTITUTION	Allegany Community College				
CONTACT PERSON	Dr. Hugh Malamphy				

DESCRIPTION OF ACTION

Acquisition of equipment through ACC Foundation

- Electromechanical Technology
- Fitness Program

ESTIMATE OF COST SAVING/AVOIDANCE

$100,000

COST CONTAINMENT ACTION SUMMARY

CATEGORY

___ADMIN/FINANCE ___INSTRUCTIONAL ___STUDENT SERVICES ___OTHER

___PERSONNEL X FACILITIES ___EQUIPMENT ___PROCEDURES ___OTHER

INSTITUTION Allegany Community College

CONTACT PERSON Mr. Donald Hedrick

DESCRIPTION OF ACTION

Computer-assisted energy control system.

Johnson Controls Systems.

ESTIMATE OF COST SAVING/AVOIDANCE

$2,000 per year through FY 1988 (with equipment purchase expenses). $30,000 per year thereafter.

COST CONTAINMENT ACTION SUMMARY

CATEGORY	___ADMIN/FINANCE	___INSTRUCTIONAL	___STUDENT SERVICES		___OTHER
	___PERSONNEL	_X_FACILITIES	___EQUIPMENT	___PROCEDURES	___OTHER
INSTITUTION	Allegany Community College				
CONTACT PERSON	Mr. Donald Hedrick				

DESCRIPTION OF ACTION

Swimming Pool energy conservation:

1. Shut-down Dec. - Jan.
2. Insulating pool blanket installed.

ESTIMATE OF COST SAVING/AVOIDANCE

$10,000 per year in electricity.

COST CONTAINMENT ACTION SUMMARY

CATEGORY	___ADMIN/FINANCE	___INSTRUCTIONAL	___STUDENT SERVICES		___OTHER
	___PERSONNEL	X FACILITIES	___EQUIPMENT	___PROCEDURES	___OTHER

INSTITUTION: Allegany Community College

CONTACT PERSON: Mr. Donald Hedrick

DESCRIPTION OF ACTION

Conversion to alternate fuel (oil) in Continuing Education Building.

ESTIMATE OF COST SAVING/AVOIDANCE

$12,000 - $14,000 per year.

COST CONTAINMENT ACTION SUMMARY

CATEGORY	___ADMIN/FINANCE	___INSTRUCTIONAL	___STUDENT SERVICES		___OTHER
	___PERSONNEL	X FACILITIES	___EQUIPMENT	___PROCEDURES	___OTHER

INSTITUTION: Allegany Community College

CONTACT PERSON: Mr. Donald Hedrick

DESCRIPTION OF ACTION

Energy Conservation:

Location of summer classes in basically two buildings.
Conservative use of air conditioning.

ESTIMATE OF COST SAVING/AVOIDANCE

$2,500 per year.

COST CONTAINMENT ACTION SUMMARY

CATEGORY	___ADMIN/FINANCE	___INSTRUCTIONAL	___STUDENT SERVICES		___OTHER
	___PERSONNEL	_X_FACILITIES	___EQUIPMENT	___PROCEDURES	___OTHER

INSTITUTION: Allegany Community College

CONTACT PERSON: Mr. Donald Hedrick

DESCRIPTION OF ACTION

Energy Conservation:

Installation of storm windows -- Continuing Education Building and Career Center.

ESTIMATE OF COST SAVING/AVOIDANCE

$1,500 per year.

COST CONTAINMENT ACTION SUMMARY

CATEGORY	___ADMIN/FINANCE	___INSTRUCTIONAL	___STUDENT SERVICES		___OTHER
	___PERSONNEL	X FACILITIES	___EQUIPMENT	___PROCEDURES	___OTHER
INSTITUTION	Allegany Community College				
CONTACT PERSON	Mr. Donald Hedrick				

DESCRIPTION OF ACTION

Ceiling fans placed in high ceiling areas.

- Library
- Student Center

ESTIMATE OF COST SAVING/AVOIDANCE

$800 per year.

COST CONTAINMENT ACTION SUMMARY

Category

__ Admin/Finance X Instructional __ Student Service __ Other

__ Personnel __ Facilities __Equipment X Procedures __ Other

Institution Anne Arundel Community College

Contact Person Rocci Mastroberti, Dean of Administration **Telephone No.** 269-7250

Description of Action

Increased faculty teaching load from 12 hours to 15 hours per semester. This increase produced a savings of one three-hour teaching section per each full-time faculty member each semester since the Fall of 1980.

Estimate of Cost Saving/Avoidance

Total savings since 1980 is $2,208,000

COST CONTAINMENT ACTION SUMMARY

Category	X Admin/Finance __ Instructional __ Student Service __ Other X Personnel __ Facilities __Equipment __ Procedures __ Other
Institution	Anne Arundel Community College
Contact Person	Eppie Bell, Facilities Management Director **Telephone No.** 269-7318

Description of Action

Substitution of contracted employees for college employees to accomplish custodial and security tasks. Beginning in the Summer of 1984, as retirements and resignations occurred, replacements were arranged through local vendors. Contracted employees now account for rough one-third of the custodial work force and one-half of the security force. Most of the savings result from avoidance of costs associated with benefits.

Estimate of Cost Saving/Avoidance

Annual savings per year for custodial services is $48,000,
for security services, $16,000.
Total savings since 1984 is $96,000.

COST CONTAINMENT ACTION SUMMARY

Category	__X Admin/Finance __ Instructional __ Student Service __ Other __ Personnel __ Facilities X Equipment __ Procedures __ Other
Institution	Anne Arundel Community College
Contact Person	Wayne Watts, Assistant Dean for Administrative Services and Director of the Computer Center — Telephone No. 269-7499

Description of Action

Solicted donations from local distributors or manufacturers for needed computer and telecommunications equipment. Equipment includes six protocol converters @ $15,000 and one local processing option at $10,000.

Estimate of Cost Saving/Avoidance

Cost avoidance since 1983 of $103,600.

COST CONTAINMENT ACTION SUMMARY

Category	X **Admin/Finance** __ **Instructional** __ **Student Service** __ **Other** X **Personnel** __ **Facilities** __**Equipment** __ **Procedures** __ **Other**
Institution	Anne Arundel Community College
Contact Person	Barbara Vaughan, Director of Personnel **Telephone No.** 269-7425

Description of Action

During summer months, work loads in many offices, particularly those close to instruction, decrease markedly. The demands made on employees decrease as a result. Employees in these offices have been encouraged to curtail their working week during the periods of decreased activity by taking leave without pay. Employees select the number of hours per week they wish to work and coordinate their curtailed schedules with their supervisors. If both parties agree, the schedule is approved and the employee goes on a reduced work (and pay) schedule for the summer.

Estimate of Cost Saving/Avoidance

Annual savings per year average $8,700
Total savings since 1982 is $35,300

COST CONTAINMENT ACTION SUMMARY

Category

__ Admin./Finance _X_ Instructional __ Student Service __ Other

__ Personnel __ Facilities __ Equipment _X_ Procedures __ Other

Institution Anne Arundel Communtiy College

Contact Person Dr. James Atwell, Dean of Arts and Sciences 269-7251
John Palmer, Dean of Technical and Career Education **Telephone No.** 269-7401

Description of Action

Development of "Staffing Analysis Guidelines" which provides (a) a way of monitoring the shift in student enrollment among tenure-track, term-contract, and part-time faculty; (b) a measurement of the level to which academic division's scheduled classes are actually filled and (c) an equitable basis for proposing the opening of additional tenure-track or term-contract positions--or for closing either kind down.

Estimate of Cost Saving/Avoidance

Cost avoidance of $45,000 in FY 85. Retiring full-time faculty in certain disciplines were not replaced because this analysis showed that a balance of coverage was already achieved.

COST CONTAINMENT ACTION SUMMARY

Category	__ Admin/Finance	__ Instructional	X Student Service	__ Other				
	X Personnel	__ Facilities	__Equipment	__ Procedures	__ Other			

Institution: Anne Arundel Community College

Contact Person: Dr. Anthony Pappas, Dean of Student Services Telephone No. 269-7253

Description of Action

Merging of some clerical functions in Student Services offices and cross-training of all Student Services staff. Recent merging of all clerical functions of Admissions and Recruiting and Records and Registration resulted in reduced storage, personnel and paper consumption costs. Cross-training of staff allows us to avoid the cost of hiring temporaries when departments face unequal demand for services.

Estimate of Cost Saving/Avoidance

Annual cost savings estimated to be $20,000 - $30,000 for cross-training,and another $20,000 - $30,000 for clerical function merging.

COST CONTAINMENT ACTION SUMMARY

Category

__X__ Admin/Finance __ Instructional __ Student Service __ Other

__ Personnel __ Facilities __Equipment __X__ Procedures __ Other

Institution Anne Arundel Community College

Contact Person Dr.J Melvin Britt, Dean of Continuing Education and Extended Learning Programs **Telephone No.** 269-7332

Description of Action

College hours are modified during summers (May 15 to August 15) to provide for a four day, extended hours work week. Since our Summer School schedule runs Monday through Thursday, it was possible to close on Fridays without adversely affecting the instructional program. Administrative staff work four 9 hour days, allowing the college to save on energy costs.

Estimate of Cost Saving/Avoidance

Annual savings per year since 1981 is $25,000
Total savings since 1981 is $125,000

COST CONTAINMENT ACTION SUMMARY

Category	__ Admin/Finance _X_ Instructional __ Student Service __ Other _X_ Personnel __ Facilities __Equipment __ Procedures __ Other
Institution	Community College of Baltimore
Contact Person	Lloyd Mayfield, Library Director **Telephone No.** 396-0432

Description of Action

Held library to a "maintenance budget." The library has had a net loss of professional librarians, but has compensated by increasing the use of parttime librarians and work study students.

Estimate of Cost Saving/Avoidance

Annual cost savings/avoidance of $85,000

COST CONTAINMENT ACTION SUMMARY

Category	__X Admin/Finance __ Instructional __ Student Service __ Other __ Personnel _x Facilities __Equipment __ Procedures __ Other
Institution	Community College of Baltimore
Contact Person	John Frey, Office of Facilities Planning — Telephone No. 396-0975

Description of Action

Controlled personnel budgets in plant operations and maintenance. Actual expenditures have been kept below planned and budgeted levels to compensate for high costs arising in other areas. This procedure is not desirable for cost containment, as there is danger of a negative impact on the overall cleanliness and appearance of buildings and grounds.

Estimate of Cost Saving/Avoidance

Annual cost savings of $200,000/avoidance since FY 1980.

COST CONTAINMENT ACTION SUMMARY

Category	__ Admin/Finance x Instructional __ Student Service __ Other x Personnel __ Facilities __Equipment __ Procedures __ Other
Institution	Community College of Baltimore
Contact Person	Rod Fields, Academic Dean — Telephone No. 396-0303

Description of Action

Discontinued or consolidated six A.A. degree and six certificate programs over the past three years. This action allowed reductions in the number of academic administrators, academic divisions, and academic departments. The number of administrative positions has decreased from 34 to 28 from 1980-81 to 1984-85.

Estimate of Cost Saving/Avoidance

Annual cost savings/avoidance of $300,000.

COST CONTAINMENT ACTION SUMMARY

Category

__ Admin/Finance __ Instructional X Student Service __ Other

X Personnel __ Facilities __Equipment __ Procedures __ Other

Institution Community College of Baltimore

Contact Person Dr. James Brazil, Dean of Students **Telephone No.** 396-0065

Description of Action

Changed to on-line registration system, allowing Student Records to become a centralized office at one of the two campuses. Student Services was able to achieve a 30 percent cut back in full time personnel.

Estimate of Cost Saving/Avoidance

Annual cost savings/avoidance of $200,000

COST CONTAINMENT ACTION SUMMARY

Category	__ Admin/Finance __ Instructional __ Student Service X Other __ Personnel __ Facilities __Equipment X Procedures __ Other
Institution	Community College of Baltimore
Contact Person	James Merlihan, Director of Communications **Telephone No.** 396-4944

Description of Action

Cost avoidances and reductions have been achieved in the communications function in several ways:

1. producing college catalog every two years instead of every year;
2. use of interchangeable formats in publications production;
3. use of word processors and direct mailing procedures to cut communications costs;
4. attrition used to effect personnel reductions.

Estimate of Cost Saving/Avoidance

Annual cost saving/avoidance of $45,000

COST CONTAINMENT ACTION SUMMARY

Category

__X__ Admin/Finance __X__ Instructional __ Student Service __ Other

__X__ Personnel __ Facilities __Equipment __ Procedures __ Other

Institution Catonsville Community College

Contact Person James Linksz **Telephone No.** 455-6050

Description of Action

Catonsville Community College has taken a number of steps to contain costs in the personnel area. These include:

- hiring part-time rather than full-time coordinators for small programs that offer their classes at night.
- promoting from within where possible and refilling positions at the lower level, or not refilling them at all.
- using adjunct faculty to replace full-time faculty who are on leave or who have retired/resigned from the College.
- using existing faculty from main campus to staff courses at Carroll County campus rather than hiring full-time staff at Carroll County.
- retraining faculty in declining disciplines to teach or administer other programs.
- cutting custodial and grounds work force by almost 20%.
- using half-time and/or temporary contracts to provide services that may be needed for a limited time.
- keeping full-time positions vacant during a period of search and using those funds elsewhere in the College.
- cost-avoidance measures of not hiring full-time faculty during a period of 20% growth in FTE.
- using instructional aides to supplement master teachers rather than hiring added full-time faculty.

Estimate of Cost Saving/Avoidance

$890,000 annually

COST CONTAINMENT ACTION SUMMARY

Category	__ Admin/Finance _X_ Instructional __ Student Service __ Other __ Personnel _X_ Facilities __Equipment __ Procedures __ Other
Institution	Catonsville Community College
Contact Person	James L. Oates **Telephone No.** 455-6050

Description of Action

In a relationship between Catonsville Community College and Baltimore County Board of Education, the two agencies use each other's facilities at times when those facilities are not in use and save the cost of rental. Catonsville Community College provides access to its planetarium for elementary school and middle school students for science unit demonstrations.

In the 1984-85 school year, Catonsville Community College became the administrative agency for a number of apprentice programs previously under the administration of the Board of Education. Approximately 320 students in six programs needed 16 classrooms which were not available at the College. The Board of Education offered the College the use of its classrooms at Johnnycake Middle School and Towson Senior High School free of charge on a year-to-year basis.

Estimate of Cost Saving/Avoidance

$12,000 annually

COST CONTAINMENT ACTION SUMMARY

Category	X Admin/Finance X Instructional __ Student Service __ Other __ Personnel __ Facilities X Equipment __ Procedures __ Other
Institution	Catonsville Community College
Contact Person	David Canine **Telephone No.** 455-6050

Description of Action

Implementing technical curricula requires unusually heavy expenditures for equipment. Programs such as Automated Manufacturing Technology, Computer Service Technology, and Automotive Service Technology must provide industrial quality equipment if students are to receive the training employers require. This equipment, most of which is computer controlled, is expensive and rapidly outdated by technological advances. No educational institution can continually purchase this equipment and offer students an affordable education. Neither can an institution which hopes to maintain its standing as a reputable provider of quality training fail to offer students access to the equipment they will use in the workplace. Catonsville Community College has worked to solve this dilemma by finding methods of acquiring the needed equipment without spending the funds needed to purchase it. Three methods have proved successful in saving the College several million dollars including equipment donations, equipment consignment, and beneficial leases and purchases.

Estimate of Cost Saving/Avoidance

$2,900,000

COST CONTAINMENT ACTION SUMMARY

Category	__ Admin/Finance X__ Instructional __ Student Service __ Other __ Personnel X__ Facilities __Equipment __ Procedures __ Other
Institution	Catonsville Community College
Contact Person	Vincent Coleianne **Telephone No.** 455-6050

Description of Action

Faced with the threat of escalating rental costs for a building used to house a number of programs supported by JTPA, as well as programs for local business and industry of a technical nature, the College opted to construct its own facility on campus. Baltimore County approved a transfer of $600,000 from other capital projects. The balance of the $1,500,000 project was financed over a seven year period.

Estimate of Cost Saving/Avoidance

$109,000 annually

COST CONTAINMENT ACTION SUMMARY

Category	X Admin/Finance ___ Instructional ___ Student Service ___ Other ___ Personnel X Facilities ___Equipment ___ Procedures ___ Other
Institution	Catonsville Community College
Contact Person	Bill Wade **Telephone No.** 455-6050

Description of Action

Through a number of energy conservation initiatives, Catonsville Community College significantly reduced energy consumption and costs. These initiatives were supported by College funds and the Federal Energy Assistance Program. BTUs per square foot dropped 142% from 308,663 to 127,156 and the percentage of the College's budget allocated to plant operations dropped from 15.4% to 13.1%. Had there been no energy conservation program, plant operations would have required a minimum of 17.5% of the college budget.

Estimate of Cost Saving/Avoidance

$382,107 (average) annually

COST CONTAINMENT ACTION SUMMARY

Category	__ Admin/Finance __x Instructional __ Student Service __ Other __ Personnel __ Facilities __Equipment x Procedures __ Other
Institution	Cecil Community College
Contact Person	Nancy Colmer Associate Dean Telephone No.

Description of Action

More efficient scheduling of Continuing Education/ Community Services courses has saved staff time, advertising and duplication. Combined Adult Basic Education (ABE) and GED classes have reduced instructional costs while serving more students. Savings have also resulted from combining the Summer schedule brochure with the Fall and Spring brochure.

Estimate of Cost Saving/Avoidance

Estimated annual cost savings: $8,200.

COST CONTAINMENT ACTION SUMMARY

Category	__ Admin/Finance __ Instructional x Student Service __ Other x Personnel __ Facilities __Equipment __ Procedures __ Other
Institution	Cecil Community College
Contact Person	Dr. Paul Bauer, Associate Dean — Telephone No.

Description of Action

Reorganization of the Student Services area resulted in the reduction of one half-time counselor position and one full-time classified staff position in the student records office.

Estimate of Cost Saving/Avoidance

Annual cost savings: $18,000

COST CONTAINMENT ACTION SUMMARY

Category	x Admin/Finance __ Instructional __ Student Service __ Other __ Personnel x Facilities __Equipment __ Procedures __ Other
Institution	Cecil Community College
Contact Person	Dr. Paul Bauer, Associate Dean — Telephone No.

Description of Action

An energy conservation grant of $23,041 was awarded to the College in 1981, providing for:

- computerized energy management system
- solar system for domestic hot water
- booster hot water heater
- reduced security lighting
- additional insulation

Estimate of Cost Saving/Avoidance

Average saving of 190 kwh per month, resulting in $6,000 annual savings in utility expenses.

COST CONTAINMENT ACTION SUMMARY

Category	__ Admin/Finance x Instructional __ Student Service __ Other __ Personnel x Facilities __Equipment x Procedures __ Other
Institution	Cecil Community College
Contact Person	Robert Brush, Dean of Instruction — Telephone No.

Description of Action

As a result of more effective class scheduling the number of class sections were reduced. Savings resulted from:

- higher average class enrollment
- lower personnel costs
- rental savings due to fewer classes scheduled for Cecil County Voc-Tech Center

Estimate of Cost Saving/Avoidance

Reduced sections: personnel	$5,000-$10,000
Rental cost avoidance	$10,000

COST CONTAINMENT ACTION SUMMARY

Category	__X Admin/Finance __ Instructional __ Student Service __ Other __ Personnel __ Facilities __Equipment X Procedures __ Other
Institution	Chesapeake College
Contact Person	Charles Grussing, Associate Dean for Administrative Services Telephone No. 822-5400, ext 62

Description of Action

Developed an Energy Conservation Program that has been followed since 1979. Significant energy savings have resulted from energy conservation measures that include:

1. institution of year-round, extended four-day work week;
2. creative scheduling of classes and meetings;
3. reducing hot water temperatures;
4. fine-tuning room thermostats;
5. lowering night set backs of heating and air-conditioning systems;
6. using lower levels of lighting in hallways and foyers.

Estimate of Cost Saving/Avoidance

Total cost avoidance since 'FY 79, with installation of energy-savings equipment of $916,637

Category	X Admin/Finance __ Instructional __ Student Service __ Other __ Personnel __ Facilities X Equipment __ Procedures __ Other
Institution	Chesapeake College
Contact Person	Charles Grussing Associate Dean for Administrative Services Telephone No. 822-5400 Ext. 62

Description of Action

In conjunction with the Energy Conservation Program, equipment has been installed which has led to dramatic savings in energy consumption: This equipment includes:

1. installation of solar energy system for the swimming pool complex;
2. installation of the McQuay Energy Management System to control energy usage by automatic scheduling of heating, air conditioning and domestic hot water units. This system allows the college to load-shed as needed, and take advantage of low off-peak utility rates;
3. use of enthalpy controllers on all large air handling units to reduce use of chilled water;
4. installation of individual building meters to identify areas of high use;
5. use of a swimming pool cover to reduce heat loss;
6. installation of air locks on most college entrancies;
7. installation of storm windows on all campus buildings.

Estimate of Cost Saving/Avoidance

FY	KWH	COST	KWH COST	Consumption Base of FY 79 with Average KWH cost per yr.
79	5,180,000	$188,523	3.64¢	--
80	3,728,000	180,159	4.83¢	$ 70,035
81	2,650,000	166,917	6.3¢	159.423
82	2,368,000	154,360	6.52¢	183,376
83	2,164,000	132,130	6.11¢	184,368
84	2,756,000	167,678	6.08¢	147,266
85	2,776,000	198,719	7.16¢	172,169
			TOTAL COST AVOIDANCE	$916,637

COST CONTAINMENT ACTION SUMMARY

Category	_x_ Admin/Finance __ Instructional __ Student Service __ Other __ Personnel _x_ Facilities __Equipment __ Procedures __ Other
Institution	Dundalk Community College
Contact Person	W. Barry Shadrack Dean, Administrative Services Telephone No. 282-6700

Description of Action

Federal energy grants obtained for six consecutive years have resulted in the implementation of various utilties cost-saving measures. An approximate total of $500,000 has been spent over this period (50% Federal, 25% Maryland Department of Energy, 25% College) to institute new systems and equipment design to conserve energy. During the past three fiscal years, despite a space increase of 27,000 square feet, utilities costs have risen only 8%.

Estimate of Cost Saving/Avoidance

Three year approximate cost savings: $100,000

COST CONTAINMENT ACTION SUMMARY

Category

__ Admin/Finance x Instructional __ Student Service __ Other

__ Personnel x Facilities __Equipment __ Procedures __ Other

Institution Dundalk Community College

Contact Person W. Barry Shadrach
Dean, Administrative Services Telephone No. 282-6700

Description of Action

During the past three years, articulation agreements with business and industry have led to donations of time and equipment. Such donations include millwright equipment, water filtration system, library vans, and a fully-equipped handicap van.

Estimate of Cost Saving/Avoidance

Approximate total cost avoidance: $250,000.

COST CONTAINMENT ACTION SUMMARY

Category	__ Admin/Finance x Instructional __ Student Service __ Other __ Personnel x Facilities __Equipment __ Procedures __ Other
Institution	Dundalk Community College
Contact Person	W. Barry Shadrach, Dean, Administrative Services — Telephone No. 282-6700

Description of Action

Instructional space sharing with the Baltimore County Board of Education and with Essex Community College at the Eastside Occupational Training Center has significantly contained costs below levels that would have been incurred by renting needed space.

Estimate of Cost Saving/Avoidance

Annual cost savings: 35,000

COST CONTAINMENT ACTION SUMMARY

Category	X Admin/Finance __ Instructional __ Student Service __ Other __ Personnel __ Facilities __Equipment __ Procedures X Other
Institution	Essex Community College
Contact Person	Dick Trent **Telephone No.** 682-6000

Description of Action

By converting from an annual to a biannual publication of the college catalog, and at the same time reducing its size and the quantity produced, substantial savings were realized. In addition, staff time allocation was reduced by 50 percent.

Estimate of Cost Saving/Avoidance

$29,000 annually

COST CONTAINMENT ACTION SUMMARY

Category

X Admin/Finance __ Instructional __ Student Service __ Other

__ Personnel __ Facilities X Equipment X Procedures __ Other

Institution Essex Community College

Contact Person Joseph Sirera **Telephone No.** 682-6000

Description of Action

The purchase and use of a new postage meter with fractional rates, a new College Mailing Handbook and the use of pre-sort for most of the first class mail have resulted in significant cost avoidance since July 1981.

Estimate of Cost Saving/Avoidance

$27,000 annually

COST CONTAINMENT ACTION SUMMARY

Category

X Admin/Finance ___ Instructional ___ Student Service ___ Other

X Personnel ___ Facilities X Equipment ___ Procedures ___ Other

Institution Essex Community College

Contact Person William E. Klarner **Telephone No.** 682-6000

Description of Action

Increased mechanization of the Grounds Department has allowed Essex Community College to maintain approximately twenty-five percent more intensively cultivated grounds with one less staff member than before.

Estimate of Cost Saving/Avoidance

$14,000 annually

COST CONTAINMENT ACTION SUMMARY

Category	X **Admin/Finance** __ **Instructional** __ **Student Service** __ **Other** __ **Personnel** X **Facilities** __**Equipment** __ **Procedures** __ **Other**
Institution	Essex Community College
Contact Person	William E. Klarner **Telephone No.** 682-6000

Description of Action

Remodeling jobs formerly were contracted out. More and more, Essex Community College performs alterations work utilizing its own personnel. Included are air conditioning installations such as the local air conditioning of a portion of the Physical Education Building and the dividing of parts of the Administration Building into smaller office areas. This has resulted in significant cost avoidance over the past six years.

Estimate of Cost Saving/Avoidance

$12,000 annually

COST CONTAINMENT ACTION SUMMARY

Category	X __ Admin/Finance __ Instructional __ Student Service __ Other __ Personnel X __ Facilities __Equipment X __ Procedures __ Other
Institution	Essex Community College
Contact Person	William E. Klarner **Telephone No.** 682-6000

Description of Action

Since July 1, 1979, Essex Community College has avoided spending $3,497,796 for energy. This was accomplished in the main by:

1. Improved maintenance of equipment and buildings.
2. Reducing interior lighting to national standards for usage.
3. Reducing heating water temperatures.
4. Intensified and improved training for heating, ventilating, and air conditioning personnel.
5. Optimizing shut-down periods.
6. Summer heating of domestic hot water and swimming pool water with small local heaters instead of using large central boilers.
7. Promoting energy conservation throughout the college community.

Estimate of Cost Saving/Avoidance

$583,000 annually

COST CONTAINMENT ACTION SUMMARY

Category	__ Admin/Finance __ Instructional __ Student Service __ Other __ Personnel x Facilities __Equipment __ Procedures __ Other
Institution	Frederick Community College
Contact Person	Jon Larson, Dean of Institutional Services Telephone No. (301) 694-5240

Description of Action

Installation of energy management computerized control system, duct work modifications, boiler modifications, vertical louver blinds on all windows resulted in a saving of 10% of utility costs.

Estimate of Cost Saving/Avoidance

Cost savings of approximately $15,000.

COST CONTAINMENT ACTION SUMMARY

Category	__ Admin/Finance __ Instructional __ Student Service __ Other x Personnel __ Facilities __Equipment x Procedures __ Other
Institution	Frederick Community College
Contact Person	Jon Larson, Dean of Instructional Services — Telephone No. (301) 694-5240

Description of Action

Reassignment of responsiblity for college vehicles to the plant department and changes in week-end and late week-night security and custodial functions have resulted in annual cost savings over the past six years.

Estimate of Cost Saving/Avoidance

Cost savings of approximately $8,000 per year have been realized.

COST CONTAINMENT ACTION SUMMARY

Category	__ Admin/Finance x Instructional __ Student Service __ Other x Personnel __ Facilities __Equipment __ Procedures __ Other
Institution	Frederick Community College
Contact Person	Dr. B. W. Rodgers, Dean Telephone No. (301) 694-5240

Description of Action

Reduction in the number of academic course sections offered in order to consolidate enrollment and reduce part-time faculty costs. The 1984 class schedule was analyzed in order to eliminate sections with low enrollment and reduce future sections in these areas. This will be an ongoing exercise.

Estimate of Cost Saving/Avoidance

An annual saving of approximately $25,000 is estimated.

COST CONTAINMENT ACTION SUMMARY

Category	__ Admin/Finance __ Instructional __ Student Service __ Other _x_ Personnel __ Facilities __Equipment __ Procedures __ Other
Institution	Frederick Community College
Contact Person	Marty Crabbs, Comptroller — Telephone No. (301) 694-5240

Description of Action

Group health insurance plan was modified to implement cost containment measures resulted in an approximate 7% cost avoidance in health premiums.

Estimate of Cost Saving/Avoidance

The result is an annual cost avoidance of approximately $7,000.

COST CONTAINMENT ACTION SUMMARY

Category	__ Admin/Finance __ Instructional __ Student Service __ Other _x_ Personnel __ Facilities __Equipment __ Procedures __ Other
Institution	Hagerstown Junior College
Contact Person	Arthur Barnhart, Comptroller Telephone No. (301) 790-2800

Description of Action

By shifting duties a vacant position was not filled reducing the number of full time College administrators by one.

Estimate of Cost Saving/Avoidance

Approximately $20,000 savings per year.

COST CONTAINMENT ACTION SUMMARY

Category	__ Admin/Finance __ Instructional __ Student Service __ Other __ Personnel X Facilities __Equipment __ Procedures __ Other
Institution	Hagerstown Junior College
Contact Person	Michael Parsons, Dean of Instruction — Telephone No. (301) 790-2800

Description of Action

Reconfiguration of instructional space on campus and using space provided off campus resulted in the avoidance of the cost of constructing or purchasing additional classroom space.

Estimate of Cost Saving/Avoidance

Initial cost avoidance of $30,000.

COST CONTAINMENT ACTION SUMMARY

Category	__ Admin/Finance __ Instructional __ Student Service __ Other _x_ Personnel __ Facilities __Equipment __ Procedures __ Other
Institution	Hagerstown Junior College
Contact Person	Michael Parsons, Dean of Instruction — Telephone No. (301) 790-2800

Description of Action

By not refilling some vacated positions, terminating a position, combining some positions, and replacing an instructional position with two aids a sizable salary reduction was realized.

Estimate of Cost Saving/Avoidance

Total cost saving of $81,000.

COST CONTAINMENT ACTION SUMMARY

Category	__ Admin/Finance __ Instructional __ Student Service __ Other __ Personnel x Facilities __Equipment __ Procedures __ Other
Institution	Hagerstown Junior College
Contact Person	Dr. George Elliott Dean of Administration Telephone No. (301) 790-2800

Description of Action

An energy management system was installed which has resulted in 40% reduction in oil consumption.

Estimate of Cost Saving/Avoidance

The average annual savings has been $40,000.

COST CONTAINMENT ACTION SUMMARY

Category	__ Admin/Finance __ Instructional __ Student Service __ Other __ Personnel __ Facilities x Equipment __ Procedures __ Other
Institution	Hagerstown Junior College
Contact Person	Dr. George Elliott, Dean of Administration — Telephone No. (301) 790-2800

Description of Action

Rather than upgrade the mainframe computer at a cost of $40,000, microcomputers were purchased at a cost of $35,000. An additional $10,000 for annual maintenance will be saved every year.

Estimate of Cost Saving/Avoidance

First year savings of $5,000 with a $10,000 annual savings on maintenance charges.

COST CONTAINMENT ACTION SUMMARY

Category	x Admin/Finance __ Instructional __ Student Service __ Other __ Personnel __ Facilities __Equipment __ Procedures __ Other
Institution	Hagerstown Junior College
Contact Person	Arthur Barnhart, Comptroller — Telephone No. (301) 790-2800

Description of Action

By using Finance Office personnel to perform the accounting/ bookeeping functions associated with the annual audit and by going out to bid for audit services.

Estimate of Cost Saving/Avoidance

A saving of approximately $10,000 per year for the past five years.

COST CONTAINMENT ACTION SUMMARY

Category	X Admin/Finance __ Instructional __ Student Service __ Other __ Personnel X Facilities __Equipment __ Procedures __ Other
Institution	Harford Community College
Contact Person	Telephone No.

Description of Action

The primary focus of utilities cost control has been on energy management as opposed to conservation. This assures that efforts are self-perpetuating and not just short term projects which must be repeated indefinitely. A wide range of energy management initiatives have occurred over the past several years.

1. Installation of microprocessor controlled energy management system.
2. Self-contained cooling system for data processing independent of the building in which the operation was located.
3. Utilization of existing capacity of mechanical systems.
4. Improved lighting systems which require less power to operate.
5. Numerous miscellaneous projects.

Estimate of Cost Saving/Avoidance

Total Annualized Cost Avoidance: $241,000.

COST CONTAINMENT ACTION SUMMARY

Category

X Admin/Finance X Instructional X Student Service X Other

X Personnel __ Facilities __ Equipment __ Procedures __ Other

Institution Harford Community College

Contact Person **Telephone No.**

Description of Action

By carefully monitoring staffing situations when voluntary turnover occurs and by looking at long term staffing requirements in light of likely enrollment declines rather than short term needs, the College has been able to reduce and reallocate staff while saving considerable sums. Staffing reductions occurred even while enrollment was growing. Now that enrollment has stabilized, the advantages of this action are becoming clear. Steps taken included:

1. Conversion from totally full-time fully compensated staff to part-time hourly staff to supplement smaller full-time staff complement.
2. Use of part-time fully compensated staff in lieu of full-time staff which permits us to schedule for peak student demand.
3. Retraining of faculty for assignment in growing programs.
4. Internal transfers and promotions.
5. Adoption of teaching schedules on other than credit/contact hour basis.
6. Consolidation of service delivery points.
7. Reducing 12 month employees to 10 months.

Estimate of Cost Saving/Avoidance

At one time the College employed 232 employees with an FTE enrollment of about 2400. Enrollment is now about 3000 FTEs while full-time staff complement has been reduced to 223.

Total Annualized Cost Avoidance: $250,000.

COST CONTAINMENT ACTION SUMMARY

Category	_X_ Admin/Finance __ Instructional __ Student Service __ Other __ Personnel __ Facilities __Equipment _X_ Procedures __ Other
Institution	Harford Community College
Contact Person	Telephone No.

Description of Action

Through a number of arrangements involving agreements with and purchases from outside vendors, the College is able to save considerable sums. Cost savings/avoidance efforts included:

1. Bulk purchasing based on annualized needs.
2. Lease-purchase decisions.
3. Joint purchasing agreements with other public agencies.
4. Reevaluation and bidding of maintenance agreements.
5. Purchasing services from outside agencies previously provided in-house.
6. Controlling health care benefits' costs.

Estimate of Cost Saving/Avoidance

Total Annualized Cost Avoidance: $82,200.

COST CONTAINMENT ACTION SUMMARY

Category	__ Admin/Finance __ Instructional __ Student Service x Other __ Personnel __ Facilities __Equipment x Procedures __ Other
Institution	Howard Community College
Contact Person	Frederick Nunley Dean of Administration Telephone No.

Description of Action

The HCC Educational Foundation was formed, by local individuals as a means of developing private financial resources to support College programs and activities. Proceeds of Foundation activities have provided a large number of scholarships for Howard County citizens who might otherwise be unable to attend the College. Additional Foundation support has included the PACE fitness program for heart attack victims and grant funds to College faculty and staff for needed equipment not available through the operating budget.

Estimate of Cost Saving/Avoidance

Cost avoidance estimate: $30,000.

COST CONTAINMENT ACTION SUMMARY

Category	x Admin/Finance __ Instructional __ Student Service __ Other x Personnel x Facilities __Equipment __ Procedures __ Other
Institution	Howard Community College
Contact Person	Frederick Nunley Dean of Administration Telephone No.

Description of Action

Campus security service was contracted to Pinherton Agency resulting in both cost savings and improved security coverage.

An Energy Management System was obtained as a result of two grants totalling $152,000. Since it has been in full operation (FY83), the College has been able to realize a substantial cost avoidance in utilities expenses.

Estimate of Cost Saving/Avoidance

Security service contracting: $125,000

Utilities cost avoidance: $ 57,000

COST CONTAINMENT ACTION SUMMARY

Category	__ Admin/Finance __ Instructional __ Student Service x Other __ Personnel __ Facilities __Equipment x Procedures __ Other
Institution	Howard Community College
Contact Person	Frederick Nunley Dean of Administration Telephone No.

Description of Action

The College has vigorously pursued a grants acquisition program for the purpose of improving instructional quality and administrative efficiency. Grants received include:

FIPSE	$300,000
Voc.Ed/Coop.Ed	100,000
NEH	10,000
NSF	20,000
Kellogg Foundation	88,000
Special Services	296,000
Energy Management	152,000

Estimate of Cost Saving/Avoidance

Inasmuch as all the projects listed above were institutional priorities, over $800,000 of federal funds were utilized to help stabilize operating costs.

COST CONTAINMENT ACTION SUMMARY

Category	X Admin/Finance __ Instructional __ Student Service __ Other X Personnel __ Facilities __Equipment X Procedures __ Other
Institution	Prince George's Community College
Contact Person	Mr. Robert F. Wiedefeld Telephone No. 322-0409

Description of Action

The consulting firm of Alexander and Alexander was retained to negotiate our employee insurance benefits program. A considerable saving was obtained for FY85. The consulting firm was continued for FY86, and after several weeks of negotiation, a major decrease in insurance premium costs was realized, amounting to saving of over forty times the cost of the services of the firm.

Estimate of Cost Saving/Avoidance

FY85:	Cost of services -	$ 5,250
	Premium savings -	185,494
FY86:	Cost of services -	$ 6,400
	Premium savings -	287,053

Overall two-year cost avoidance: $460,897

COST CONTAINMENT ACTION SUMMARY

Category	__ Admin/Finance X Instructional __ Student Service __ Other __ Personnel X Facilities __Equipment __ Procedures __ Other
Institution	Prince George's Community College
Contact Person	Dr. Joseph F. Shields Telephone No. 322-0417

Description of Action

Prince George's Community College has carefully nurtured the growth of its program offering at Andrews Air Force Base (AAFB). As a direct result of our responsiveness to meeting AAFB training needs, the Air Force has contributed $21,500 toward the purchase of computer equipment, all of which is available to non-military extension center classes. In addition, AAFB permits PGCC to utilize its facilities, including 25 classrooms, on a rent-free basis.

Estimate of Cost Saving/Avoidance

Equipment contribution: $21,500

Rental savings (per year): 28,800

Overall five-year (FY82-86) amount go $165,500.

COST CONTAINMENT ACTION SUMMARY

Category	__ Admin/Finance __X Instructional __ Student Service __ Other _X_ Personnel __ Facilities _X_ Equipment __ Procedures __ Other
Institution	Prince George's Community College
Contact Person	Dr. Dennis S. Bartow Telephone No. 322-0406

Description of Action

As a direct consequence of customized training services provided over the years to Digital Equipment Corporation (Landover, MD), as well as a recognition by DEC of the strength of PGCC's electronics technology program, PGCC was selected as a participant in DEC's nationwide Minicomputer Technology Program (MTP). This program encompasses the development of an A.A. degree Computer Service Technology curriculum as a joint venture. DEC's contributions to this program include:

(1) no-cost training of faculty
(2) student scholarships
(3) equipment at 50%-80% discounts
(4) no-cost surplus equipment availability.

Estimate of Cost Saving/Avoidance

(1) Retail value of faculty training, both in D.C. metro area and at DEC's Corporate Training Center, estimated at $15,000.
(2) Student scholarships (FY86) stimulated the enrollment of 2 FTE.
(3) Equipment savings estimated at $120,000.
(4) Surplus equipment includes 10 DECMate I microcomputers and a VAX 11/44 minicomputer, valued at roughly $65,000.

COST CONTAINMENT ACTION SUMMARY

Category	X Admin/Finance __ Instructional __ Student Service __ Other __ Personnel __ Facilities X Equipment __ Procedures __ Other
Institution	Prince George's Community College
Contact Person	Mr. Donald Greenawalt Director, Info. Systems Telephone No. 322-0622

Description of Action

Adopted a policy of making purchases of computer equipment and maintenance services through third-party vendors rather than continuing with traditional lease/rental of such equipment from manufacturers (e.g., IBM). The growing maturity of the computer industry and improved price and performance of newer devices has driven down the price and availability of used computers and related hardware through third-party vendors. Specific changes include:

(1) termination of mainframe lease and direct purchase of newer model from third-party vendor;

(2) switch from OEM maintenance to third-party maintenance;

(3) purchase of teleprocessing control unit to replace lease of identical unit from manufacturer.

Estimate of Cost Saving/Avoidance

(1) Savings of $58,000 in FY85 and $120,000 in FY86
(2) Savings of $30,000 per year (on-going)
(3) Savings of $8,000 in FY85 and $16,000 in FY86.

Overall FY86 savings of $166,000 in items (1)-(3).

COST CONTAINMENT ACTION SUMMARY

Category	X Admin/Finance __ Instructional __ Student Service __ Other __ Personnel __ Facilities __Equipment X Procedures __ Other
Institution	Prince George's Community College
Contact Person	Mr. Robert F. Wiedefeld Telephone No. 322-0419

Description of Action

In order to contain utility costs at PGCC, it was necessary to take major steps toward energy conservation. A preliminary energy audit, an energy audit, and a Technical Assistance Analysis were performed. These led to numerous changes in operations and maintenance procedures, including many low cost quick-fix repairs and modifications to installed HVAC systems. The TA Analysis yielded a detailed report of Energy Conservation Measures (ECM), from which considerable savings have resulted. In three buildings for which ECM's have been implemented, the net direct costs have been offset by cost savings over amortized periods ranging from 1/3 to 2 years. Implementation costs were further reduced through U.S. Department of Energy grants and the Maryland Energy Office (MEO).

Estimate of Cost Saving/Avoidance

ECM implementation was supported 50% by DOE for all facilities and an additional 25% for two buildings by MEO.

Estimated FY86 operating cost savings amount to $25,000.

COST CONTAINMENT ACTION SUMMARY

Category	__ Admin/Finance __ Instructional __ Student Service _X_ Other _X_ Personnel __ Facilities __Equipment __ Procedures __ Other
Institution	Montgomery College
Contact Person	Dr. Vergil Dykstra **Telephone No.** 279-5274

Description of Action

The College has contracted its annual food services operation to an outside vendor beginning in fiscal 1985. The net effect of this action was to turn a negative cash operation to a positive one. In contracting the food services, this unit of Auxiliary Enterprises was abolished with a resultant reduction of 21 staff positions. In addition, the College now receives $70,265.04 in rental of facilities fees from the contractor. This revenue is in direct contrast to the losses the food services unit sustained during the two prior years of $105,898 in FY 1984 plus $51,602 in FY 1983.

Estimate of Cost Saving/Avoidance

Contracting food services resulted in $70,265 in revenue from food services in FY 1985 as compared to losses in FY 1984 of $105,898 and $51,602 in FY 1983.

COST CONTAINMENT ACTION SUMMARY

Category	X Admin/Finance __ Instructional __ Student Service __ Other X Personnel __ Facilities __Equipment __ Procedures __ Other
Institution	Montgomery College
Contact Person	Dr. Frederick J. Walsh Telephone No. 279-5280

Description of Action

During fiscal 1983 the College undertook an administrative streamlining to improve its effectiveness and efficiency. In fiscal year 1980 the College employed 60 administrators. In fiscal 1984 the College employed only 50 administrators. As a result of this streamlining the College was able to forego certain increased costs in its fiscal 1984 budget and years thereafter. In fiscal 1983 and 1984 alone, an estimated $377,000 in salary savings resulted from the streamlining efforts.

Estimate of Cost Saving/Avoidance

$377,000 in two years

COST CONTAINMENT ACTION SUMMARY

Category

_X_ Admin/Finance __ Instructional __ Student Service __ Other

__ Personnel __ Facilities __Equipment __ Procedures __ Other

Institution Montgomery College

Contact Person Dr. Vergil Dykstra **Telephone No.** 279-5274

Description of Action

In 1973 the College began a major effort to reduce the consumption of electricity, oil and gas. The results of these efforts are most visible on the Rockville Campus where, in spite of the fact that the College week has been extended to include Saturday and Sunday classes, and the addition of a new building, the units of energy consumption have been reduced by approximately 30 percent over the level of consumption in 1973.

Estimate of Cost Saving/Avoidance

$81,840 in fiscal 1985 in electricity and oil costs. Similar savings in other prior years.

COST CONTAINMENT ACTION SUMMARY

Category	X Admin/Finance __ Instructional __ Student Service __ Other __ Personnel __ Facilities X Equipment __ Procedures __ Other
Institution	Montgomery College
Contact Person	Dr. Vergil Dykstra Telephone No. 279-5274

Description of Action

The College is automating routine processes in a number of units including personnel, finance, facilities, research, scheduling, etc. These systems, because of their on-line nature, have reduced cost of data processing supplies and have also helped the College to avoid adding additional positions. The estimated cost reduction of all these systems over a five year period is more than $1,000,000. Because of the creation of more on-line systems in FY 1986, the Office of Computing Services has given up three data control/data entry positions, producing annual savings of $68,000.

Estimate of Cost Saving/Avoidance

$1,000,000+ over a five year period.

COST CONTAINMENT ACTION SUMMARY

Category

_X_ Admin/Finance __ Instructional __ Student Service __ Other

__ Personnel __ Facilities __Equipment __ Procedures _X_ Other

Institution Montgomery College

Contact Person Dr. Vergil Dykstra **Telephone No.** 279-5274

Description of Action

The College has reduced the cost of health insurance coverage by implementing a base option plan and a high option plan. The College now pays an amount equal to 80 percent of the base option plan. In addition, the following cost containment provisions have been added to the health insurance plan:

a. Second Surgical Option - 100%
b. Ambulatory Surgery - 100%
c. Outpatient Pre-Admission Testing - 100%
d. Weekend Admission - $100 deductible for non-emergency admission

Each of these reduce exposure of the plan to unnecessary and overly expensive medical costs.

Estimate of Cost Saving/Avoidance

$382,600 per year

COST CONTAINMENT ACTION SUMMARY

Category	_x_ Admin/Finance __ Instructional __ Student Service __ Other __ Personnel __ Facilities __ Equipment _x_ Procedures __ Other
Institution	Wor-Wic Technical Community College
Contact Person	Mark V. Rudnick, Business Manager — Telephone No.

Description of Action

By "piggybacking" the College's hospitalization and major medical package onto the local Board of Education's policy, improved coverage has been obtained at reduced cost. In addition, the installation of MARCOM and CENTREX telephone lines has reduced communication expenses.

Estimate of Cost Saving/Avoidance

Medical coverage savings: $11,000 annual

Telephone system savings: $ 2,000 annual

COST CONTAINMENT ACTION SUMMARY

Category

_x Admin/Finance __ Instructional __ Student Service __ Other

_x Personnel __ Facilities __Equipment __ Procedures __ Other

Institution Wor-Wic Technical Community College

Contact Person Mark V. Rudnick, Business Manager **Telephone No.**

Description of Action

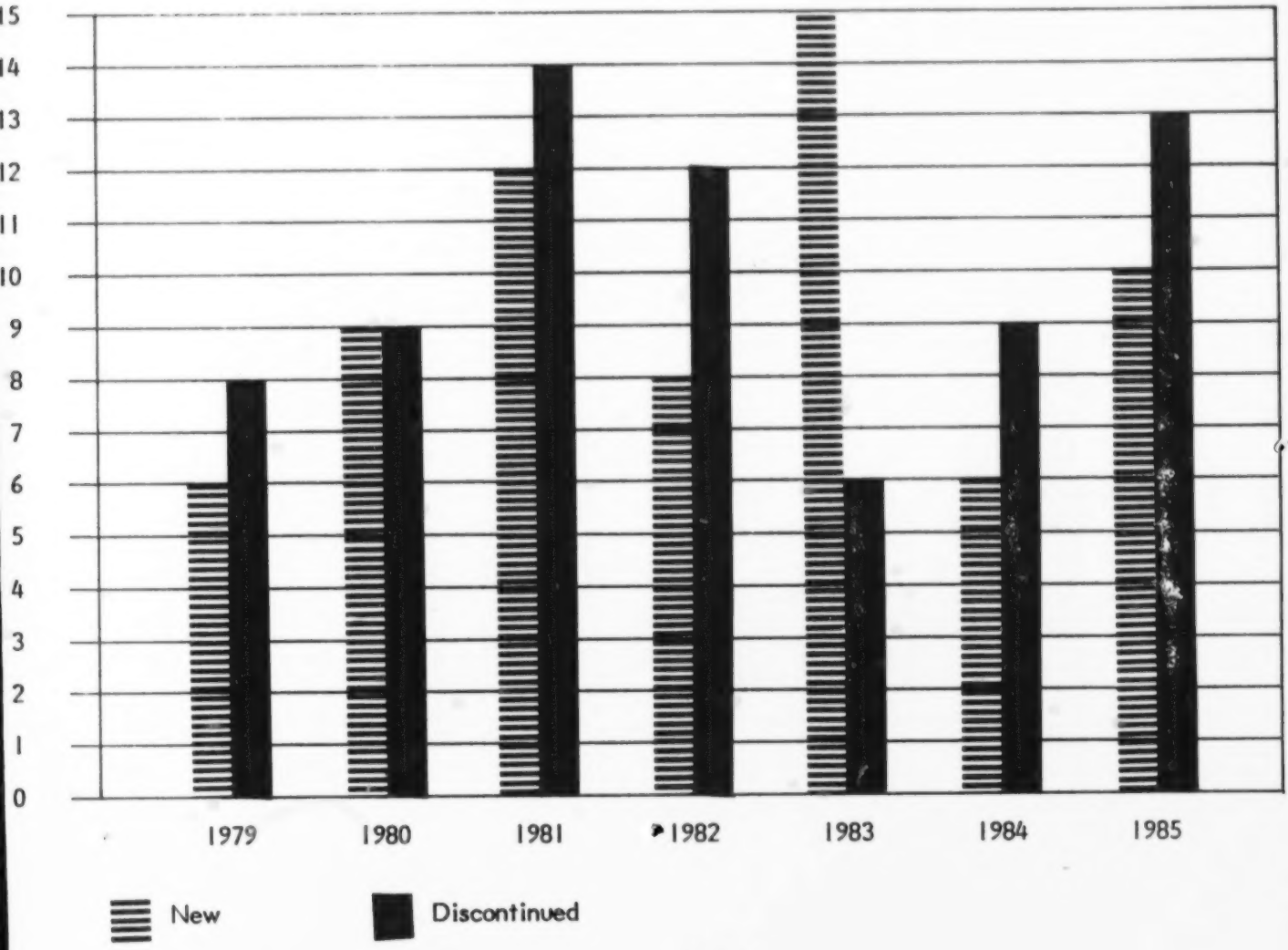
The College has initiated a lower entry level step at all grades in the support staff salary schedule.

Estimate of Cost Saving/Avoidance

Estimated annual cost savings - $5,000

APPENDIX B

NEW AND DISCONTINUED INSTRUCTIONAL PROGRAMS
MARYLAND COMMUNITY COLLEGES
FISCAL YEARS 1979 - 1985



DISCONTINUED INSTRUCTIONAL PROGRAMS
MARYLAND COMMUNITY COLLEGES
1979 thru 1985

1979	
Baltimore	
Occupational Therapy Assistant	Cert
Charles	
Engineering Technology	AA
Solid Waste Technology	Cert
Frederick	
Property and Casualty Insurance	Cert
Life Insurance	Cert
Garrett	
Human Services Technology	Cert/AA
Law Enforcement	AA
Prince George's	
Electrical Engineering Technology	AA

1980	
Allegany	
Radiologic Technology	AA
Chemical Technology	AA
Quality Control Technology	AA
Catonsville	
Medical Laboratory Technology	AA
Air Conditioning, Refrigeration and Heating	Cert/AA
Charles	
Surveying	Cert
Frederick	
Administration of Criminal Justice	AA
Montgomery	
Instructional Aide	Cert
Prince George's	
Fire Science Technology	AA

1981	
Anne Arundel	
Ocean Engineering Technology	AA
Baltimore	
Mechanical Technology	AA
Special Education in Speech and Hearing	Cert/AA
Charles	
Real Estate	AA
Estuarine Resources Technology	AA
Recreation Leadership	Cert
Fire Science	Cert/AA
Electronics Technology	AA
Chesapeake	
Agricultural Business	Cert
Hagerstown	
Hospitality Management	AA
Harford	
Insurance	AA
Howard	
Wholesale Distribution	AA
Prince George's	
Human Services - Mental Health	AA
Industrial Engineering Technology	AA

1982	
Baltimore	
Piano Technology	Cert/AA
Medical Laboratory Technology	AA
Occupational Health Nursing	Cert
Oceanography	Cert/AA
Environmental Health Technology	Cert/AA
Charles	
Library Science	Cert
Law Enforcement	AA
Chesapeake	
Recreation Technician	AA
Essex	
Banking	Cert/AA
Public Administration Assistant	AA
Harford	
Engineering Technology	AA
Howard	
Interpreter Education	AA

1983	
Charles	
Secretarial Science	AA
Pollution Abatement Technology	AA
Chesapeake	
Real Estate	AA
Howard	
Vision Care Technician	AA
Prince George's	
Civil Engineering Technology	AA
Residential Construction	Cert

1984	
Anne Arundel	
Civil Engineering Technology	AA
Baltimore	
Government Services Assistant	Cert/AA
Essex	
Statistical Clerk	Cert/AA
Dental Assisting	AA
Health Planning Assistant	AA
Packaging Technology	AA
Montgomery	
General Engineering	AA
Prince George's	
Dental Assistant	AA
Recreation Leadership and Parks	AA

1985

Allegany	
Recreation Leadership	AA
Baltimore	
Interior Design	Cert/AA
Urban Traffic and Transportation	Cert/AA
Urban Development Assistant	AA
Chesapeake	
Home Furnishing Aide	Cert
Fisheries Science	AA
Bay Resources Marine Technology	Cert
Marine Maintenance Technology	Cert/AA
Dundalk	
Industrial Technology	Cert/AA
Hagerstown	
General Merchandising	AA
Emergency Medical Service	Cert
Prince George's	
Computer Operations	Cert
Automotive Technology	AA

AA = Associate in Arts
Cert = Certificate

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